Court File No. CV-24-00722386-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

Applicants

APPLICATION RECORD OF THE APPLICANTS
(Returnable June 20, 2024)

VOLUME 2 OF 2

June 20, 2024

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Lawyers for the Applicants

TO: **SERVICE LIST**

TABLE OF CONTENTS

TAB X

This is Exhibit “X” referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

CROSS-CORPORATE GUARANTEE

This cross-corporate guarantee (the "**Guarantee**") dated as of 10 / 19 / 2023 is made by **GREENSEAL CANNABIS COMPANY LTD.**, a corporation governed by the laws of the Province of Ontario having its principal place of business at 530 Wright Blvd, Stratford, ON N4Z 1H3 (the "**Guarantor**") in favour of **STOKE CANADA FINANCE CORP**., a corporation duly incorporated pursuant to the laws of the Province of Alberta, having its principal place of business at Suite 700, 1816 Crowchild Trail NW Calgary, AB T2M 3Y7 (the "**Guaranteed Party**" or "**Purchaser**").

WHEREAS, **AgMEDICA BIOSCIENCE INC.**, a corporation governed by the laws of the Province of Ontario, having its principal place of business at 566 Riverview Dr. Unit #104, Chatham, ON N7M 0M2 and ("**AgMEDICA**" or "**Seller**") is an affiliate company of Guarantor;

AND WHEREAS, AgMEDICA**,** has requested the Guaranteed Party to establish a credit facility to purchase, from time to time, Eligible Receivables generated from the sale of the Cannabis Products to Account Debtors, in accordance with the terms and conditions of a receivables purchase agreement entered or to be entered on or about the date hereof (the "**PURCHASE AGREEMENT**");

AND WHEREAS, the execution and delivery of this Guarantee by the Guarantor is a condition precedent to the Guaranteed Party making advances of money or payments of price to the Seller under the Purchase Agreement against Purchased Receivables from time to time;

NOW THEREFORE, in consideration of the Guaranteed Party agreeing to establish the facility in favour of the Seller under the terms of the Purchase Agreement, and in order to induce the Guaranteed Party to purchase Eligible Receivables under the Purchase Agreement from time to time, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor hereby agrees as follows:

1. **Interpretation.** All terms defined in the Purchase Agreement and not otherwise defined herein and used in this Guarantee shall have the meanings ascribed thereto in the Purchase Agreement.

2. **Guarantee.** The Guarantor hereby unconditionally and irrevocably guarantees to the Guaranteed Party the payment of any and all present and future obligations of the Seller to the Purchaser arising pursuant to and/or on account of the provisions of any of the Transaction Documents including, without limitation, all of the Obligations as defined in the Purchase Agreement (collectively, the "**Liabilities**"). This Guarantee is a guarantee of payment and not of collection and is in no way conditioned upon or limited by: (a) any attempt to collect from any Account Debtor or any other person who is or may be liable under any of the Transaction Documents (any "**Secondary Obligor**"); or (b) any resort or recourse to or against any Collateral pledged, assigned, or granted to the Purchaser. If the Seller fails to pay any of the Liabilities, when and as the same shall become due and payable, the Guarantor shall on demand pay the same to the Purchaser in immediately available funds, in lawful money of Canada.

3. **Continuing Nature of Guarantee**. This Guarantee shall be continuing and shall not be discharged, impaired or affected by:
   (a) the insolvency of the Seller, as specified under Section 11 hereof, or the payment in full of all of the Liabilities at any time or from time to time;
   (b) the power or authority or lack thereof of the Seller to incur the Liabilities;
   (c) the validity or invalidity of any of the Transaction Documents or the documents securing the same;
   (d) the existence or non-existence of the Seller as a legal entity, including those circumstances specified under Section 7 hereof;
   (e) any transfer by the Seller of all or any part of any Collateral in which the Purchaser has been granted a lien or security interest pursuant to the Transaction Documents;
   (f) any statute of limitations affecting the liability of the Guarantor under this Guarantee or the Transaction Documents or the ability of the Purchaser to enforce this Guarantee or any provision of the Transaction Documents; or

(g) any right of offset, counterclaim or defense of Guarantor, including, without limitation, those which have been waived by Guarantor pursuant to Section 14 hereof.

4. **Recourse against Seller.** The Guaranteed Party shall not be bound to exercise all or any of its rights and remedies or to exhaust its recourse against the Seller or others or any security before being entitled to payment from the Guarantor under this Guarantee.

5. **Loss of Securities.** Any loss of, or neglect or omission with respect to any security held by the Guaranteed Party, whether occasioned through the fault of the Guaranteed Party or otherwise, shall not discharge in whole or in part, or limit or lessen the liability of the Guarantor hereunder.

6. **Settlement of Accounts.** Any Account settled or stated between the Guaranteed Party and the Seller or admitted by or on behalf of the Seller shall be accepted by the Guarantor as conclusive evidence that the amount thereby appearing due by the Seller to the Guaranteed Party is so due by any defaulting Account Debtor. For clarity, the term "**Account**" shall mean all Liabilities of Seller to the Purchaser pursuant to the Transaction Documents.

7. **Change in Composition of Seller.** Neither change in the name, objects, capital structure or constitution, membership, ownership or control of the Seller nor any other circumstance including, without limitation, the amalgamation of the Seller with another corporation, any defect in, omission from, failure to file or register or defective filings or registrations of any instrument under which the Guaranteed Party has taken any security or collateral for payment of any of the Liabilities or the performance or observance of any obligation of the Guarantor to the Guaranteed Party or any circumstance affecting the Seller or the Guarantor, which might otherwise afford a legal or equitable defence to the Guarantor or a discharge of the Guarantee shall affect or in any way limit or lessen the liability of the Guarantor hereunder.

8. **Waiver.** No delay on the part of the Guaranteed Party in exercising any of its options, powers, or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No waiver of any of its rights hereunder, and no modification or amendment of this Guarantee, shall be deemed to be made by the Guaranteed Party unless the same shall be in writing, duly signed on behalf of the Guaranteed Party, and each such waiver, if any, shall apply with respect to the specific instance involved, and shall in no way impair the rights of the Guaranteed Party or the obligations of the Guarantor to the Guaranteed Party in any other respect at any other time.

9. **Guarantee of All Monies Advanced.** All monies, advances, renewals and credits in fact borrowed, paid as Purchase Price, or obtained by the Seller from the Guaranteed Party under or in connection with the Purchase Agreement shall be deemed to form part of the Liabilities notwithstanding any incapacity, disability or lack of limitation of status or power of the Seller or of the directors, officers, employees, partners or agents thereof, or that the Seller may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or credits, whether known to the Guaranteed Party or not. The Guaranteed Party shall not be obliged to enquire into the powers of the Seller or its directors, partners or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed, paid as Purchased Price, or obtained from the Guaranteed Party in the professed exercise of any power of the Seller or its directors, partners or agents shall be deemed to form part of the Liabilities hereby guaranteed even though the incurring of such monies, advances, renewals or credits was irregular, fraudulent, defective or informally effected or exceeded the powers of the Seller or its directors, partners, or agents. Any part of the Liabilities which may not be recoverable from the Guarantor by the Guaranteed Party on the basis of a guarantee shall be recoverable by the Guaranteed Party from the Guarantor as principal debtor in respect thereof and shall be paid to the Guaranteed Party forthwith after demand therefor as herein provided.

10. **Assignment by Guaranteed Party.** The Guaranteed Party may from time to time and without notice to, or the consent of the Guarantor assign or transfer all or any of the Liabilities or any interest therein to any person and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, any such Liability or part thereof so transferred or assigned shall be and shall remain an "obligation" for the purpose of

this Guarantee and any immediate and successive assignee or transferee of any obligation or any interest therein shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of, and the right to enforce this Guarantee to the same extent as if such person were the Guaranteed Party. In the event of any such assignment or transfer, the Guaranteed Party shall retain the right to enforce this Guarantee for its own benefit as to any obligation which has not been so assigned or transferred.

11. **Revival of Indebtedness.** The Guarantor agrees that, if at any time all or any part of any payment previously applied by the Guaranteed Party to any Liability is or must be rescinded or returned by the Guaranteed Party for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Seller), such Liability shall, for the purpose of this Guarantee, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Guaranteed Party, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Liability, all as though such application by the Guaranteed Party had not been made.

12. **Legal Expenses.** The Guarantor shall from time to time upon demand by the Guaranteed Party forthwith pay to the Guaranteed Party all expenses (including legal fees on a full indemnity basis) incurred by the Guaranteed Party in the preparation of this Guarantee and the preservation or enforcement of any of its rights hereunder.

13. **Additional Security.** This Guarantee is in addition to, and not in substitution for, and without prejudice to, any security of any kind (including, without limitation, other guarantees) now or hereafter held by the Guaranteed Party and any other rights or remedies that the Guaranteed Party might have.

14. **Taxes and Set-off.** All payments to be made by the Guarantor hereunder shall be made without set-off or counterclaim and without deduction for any taxes, levies, duties, fees, deductions, withholdings, restrictions or conditions or any nature whatsoever. If, at any time, any applicable law, regulation or international agreement requires the Guarantor to make any such deduction or withholding from any such payment, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Guaranteed Party receives a net sum equal to the sum which it would have received had no deduction or withholding been required.

15. **Interest.** The Guarantor shall pay to the Guaranteed Party in respect to any amount payable hereunder (including interest) that is not paid when due, interest from the due date thereof, both before and after demand, default, and judgment until payment in full, at the rate of 23% *per* annum, such interest to be paid monthly on the last day of each calendar month and calculated annually, not in advance.

16. **Demand for Payment.** A demand for payment shall be deemed to have been given where a notice in writing containing such a demand is sent by registered and receipted mail or prepaid courier to the Guarantor at the address of the Guarantor as aforesaid or at such other address as the Guarantor may subsequently specify by written notice received by the Guaranteed Party. Any such notice shall be deemed to have been received on the date of delivery.

17. **Responsibility to Keep Informed.** So long as any of the Liabilities remain unpaid or outstanding, the Guarantor assumes all responsibility for being and keeping itself informed of the financial condition of the Seller and of all circumstances bearing upon the nature, scope, and extent of the risk which the Guarantor assumes and incurs under this Guarantee.

18. **No Escrow.** Possession of this Guarantee by the Guaranteed Party shall be conclusive evidence against the Guarantor that this Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any conditions precedent or subsequent have been complied with unless, at the time or receipt of this Guarantee by the Guaranteed Party, the Guarantor obtains from the Guaranteed Party a letter setting out the terms and conditions under which this Guarantee was delivered and the conditions, if any, to be observed before it becomes effective.

19. **Governing Law and Submission to Jurisdiction.** This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and the Guarantor hereby accepts and irrevocably submits to the jurisdiction of the courts of the Province of British Columbia and acknowledges their competence and agrees to be bound by any judgment thereof except that nothing herein shall limit the Guaranteed Party's right to bring proceedings against the Guarantor elsewhere.

20. **Successors and Assigns.** This Guarantee shall extend and enure to the benefit of the Guaranteed Party and its heirs, executors, administrators, successors and assigns and shall be binding upon the Guarantor and the heirs, executors, administrators, successors and permitted assigns of the Guarantor. If there is more than one Guarantor referred to herein, then their obligations shall be joint and several.

21. **Time of the Essence.** Time is of the essence with respect to the terms and provisions of this Guarantee and the time for performance of the obligations of the Guarantor under this Guarantee are to be strictly construed.

[signature page to follow]

IN WITNESS WHEREOF, this Guarantee has been made and delivered under seal as of the date first above written.

For and on behalf of

GREENSEAL CANNABIS COMPANY LTD.

By: Corey Hamilton

Name: Corey Hamilton

Title: Director

Signature Certificate

Reference number: 77ZFH-WCYKH-ZYGCF-WXZZQ

Signer	Timestamp	Signature
Corey Hamilton Email: corey.hamilton@greensealcannabis.com Shared via link		Corey Hamilton
Sent:	18 Oct 2023 18:18:44 UTC	IP address: 99.254.247.115
Viewed:	19 Oct 2023 12:58:35 UTC	Location: Stratford, Canada
Signed:	19 Oct 2023 15:37:43 UTC	

Document completed by all parties on:

19 Oct 2023 15:37:43 UTC

Page 1 of 1

TAB Y

This is Exhibit "Y" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Electronically issued / Délivré par voie électronique : 28-Jul-2022
London Superior Court of Justice / Cour supérieure de justice
Court File No./N° du dossier du greffe : CV-22-00001098-0000

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

MCPHEE INVESTMENTS LTD

Plaintiff

- and -

AGMEDICA BIOSCIENCE INC., TREVOR HENRY, PETER VAN MOL, and TRENT HENRY

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure,* serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure.* This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Electronically issued / Délivré par voie électronique : 28-Jul-2022
London Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-22-00001098-0000
2

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: ___________

Issued by: _____________________
Local Registrar

Address: Superior Court of Justice
80 Dundas Street
London, ON N6A 6A3

TO: **AgMedica Bioscience Inc.**
104-566 Riverview Drive
Chatham, ON
N7M 0N2

AND TO: **Trevor Henry**
c/o AgMedica Bioscience Inc.
104-566 Riverview Drive
Chatham, ON
N7M 0N2

AND TO: **Peter Van Mol**
c/o AgMedica Bioscience Inc.
104-566 Riverview Drive
Chatham, ON
N7M 0N2

AND TO: **Trent Henry**
c/o Ernst & Young LLP
100 Adelaide Street West, Suite 3900
Toronto, ON
M5H 0B3

CLAIM

1. The Plaintiff claims against each of the Defendants:

   a. Damages, in an amount to be quantified, for gross negligence, wilful misconduct, conspiracy and breach of fiduciary duty;

   b. Disgorgement of and payment to the Plaintiff of any shares, money or other amounts of value gained from the unlawful actions of the Defendants and the breaches pleaded herein;

   c. Pre- and post-judgment interest in accordance with the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

   d. The Plaintiff's costs of this action; and

   e. Such further and other relief as this Honourable Court permits.

OVERVIEW

2. This action concerns an extraordinary factual circumstance whereby an applicant under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("*CCAA*"), the *CCAA* Monitor (the "Monitor") and key individuals associated with them carried out a *CCAA* process and a full Plan of Compromise and Arrangement while subject to an undisclosed and profound conflict of interest.

3. More specifically, Trevor Henry, the Chief Executive Officer of AgMedica Bioscience Inc. ("AgMedica", the "Company" or the "Applicant"), is the twin brother of Trent Henry, a Global Senior Executive of Ernst & Young (the "Henry Twin Brothers").

4. Together, the Henry Twin Brothers were shareholders in AgMedica well before the AgMedica *CCAA* proceedings commenced. They were also party to a shareholders'

agreement (the "Shareholders' Agreement") that established specified duties on the parties to the agreement including, but not limited to, the Henry Twin Brothers and all other shareholders in AgMedica, including the Plaintiff.

5. The relationship between the Henry Twin Brothers was never disclosed to the *CCAA* Court or to public stakeholders of AgMedica in any *CCAA* filing. The Monitor did not disclose that a major global and national executive of Ernst & Young possessed a significant personal equity interest in AgMedica alongside his spouse and other family members or that he and they, along with the other parties to the Shareholders' Agreement, were subject to duties and obligations to the other shareholders in the Company.

6. On April 25, 2022, after several unanswered requests, the Plaintiff was finally provided with a copy of AgMedica's Shareholder Register. That register revealed to the Plaintiff the identity of shareholders and the pattern of their shareholdings in AgMedica for the first time.

7. The register revealed that together the Henry Twin Brothers, the other Defendants and the Monitor used the *CCAA* process to effectively eliminate the equity rights of the Plaintiff in AgMedica and to place nearly 40% of the total equity ownership of AgMedica into the hands of the Henry Twin Brothers, their spouses, family members, holding companies and other affiliates. In order to give rise to that outcome, the duties of the Henry Twin Brothers, their spouses and family members to the Plaintiff under the Shareholders' Agreement were conveniently terminated and the constating documents of AgMedica were amended. The result of that conduct was the utilization of inside

information and an undisclosed conflict of interest by the Monitor in the *CCAA* proceedings to dilute and drastically devalue the interests of the Plaintiff as a shareholder in AgMedica to the corresponding benefit of the Henry Twin Brothers, their spouses and affiliated shareholders.

8. The action alleges that this conduct was known, deliberate and orchestrated by the Henry Twin Brothers and their spouses and affiliates. As a result, the facts and causes of action pleaded herein fall specifically outside of the scope of the *CCAA* releases established within the *CCAA* Plan of Compromise and Arrangement and the related Court Orders.

THE PARTIES

The Plaintiff

9. The Plaintiff, McPhee Investments Ltd ("McPhee" formerly Zalatuo Ltd and Mazal Investments Ltd), is a Bermuda corporation with a registered head office of 19 Par-la-Ville Road, 1st Floor, Hamilton, HM 11, Bermuda. McPhee is a registered shareholder of AgMedica having invested CAD$12,500,000 in the capital of AgMedica through a private placement financing in or around October of 2018, making it the single largest investor in AgMedica by dollar value.

The Defendants

10. The Defendant, AgMedica, is a private corporation incorporated under the *Canada Business Corporations Act,* R.S.C. 1985, c. C-44, as amended (the "*CBCA*"), on or around November 22, 2013. AgMedica maintains its registered and head office at 104-566 Riverview Drive, Chatham, Ontario. AgMedica is a licensed producer of cannabis

and cannabis products regulated by the *Cannabis Act,* S.C. 2018, c. 16 and the *Cannabis Regulations*, S.O.R./2018-244 whose principal activities are the production, distribution, and sale of various cannabis products.

11. The Defendant, Trevor Henry, is and was at all material times the Chief Executive Officer ("CEO") of AgMedica. Trevor Henry is a founder and founding shareholder of AgMedica. Trevor Henry also served as a Member of the Board of Directors of AgMedica at all material times.

12. The Defendant, Peter Van Mol, is and was at all material times the Chief Financial Officer ("CFO") and Chief Risk Officer ("CRO") of AgMedica. Peter Van Mol is a founder and founding shareholder of AgMedica. Peter Van Mol also served as a Member of the Board of Directors of AgMedica at all material times.

13. The Defendant, Trent Henry, is a qualified Chartered Professional Accountant ("CPA") who has worked in various roles at Ernst & Young LLP ("E&Y LLP") and Ernst & Young Inc. ("E&Y Inc.", collectively with E&Y LLP, "E&Y") for more than 30 years. In the course of his career, Trent Henry has held prominent leadership roles throughout E&Y's business in Canada and elsewhere across multiple aspects of the firm's business. His titles have included global, Canada-wide and other local or regional roles within the broader business of E&Y. Trent Henry is currently the Global Vice Chair – Talent for E&Y LLP. Prior to his current role, Trent Henry was Chairman & Chief Executive Officer of Ernst & Young Canada. Trent Henry also served as a Director of E&Y Inc. until on or around June 30, 2018. In that capacity, he served as Co-Director alongside Alex Morrison, at E&Y Inc. who recently performed the role of Monitor to AgMedica. Most

notably in the present context, Trent Henry is the twin brother of Trevor Henry, the CEO of AgMedica. Trent Henry is inextricably connected to E&Y's business in Canada.

FACTUAL BACKGROUND

McPhee's Investment & The Shareholders Agreement

14. McPhee is a shareholder in AgMedica. As set out above, McPhee invested CAD$12,500,000 in AgMedica through a private placement in October of 2018, whereby it acquired 5,555,556 common shares in the capital of AgMedica. McPhee's investment was and remains the largest investment ever made in AgMedica by dollar value.

15. As a condition of the investment, McPhee agreed to be a party to the AgMedica Shareholders' Agreement dated July 5, 2017. All shareholders were required to be party to that agreement, including various founding members referred to in the agreement as the "Founders".

16. The Henry Twin Brothers and Peter Van Mol were shareholders in AgMedica and were parties to the Shareholders' Agreement.

17. The Shareholders' Agreement imposed duties on all shareholders including the Henry Twin Brothers, Peter Van Mol, the Company and its Board of Directors to avoid taking unilateral steps or engaging in transactions that gave rise to dilution or other adverse impacts and damages to the investment of the other shareholders.

The CCAA Proceedings

18. On or around December 1, 2019, AgMedica sought protection from its creditors under the *CCAA*. Pursuant to a Court Order dated December 2, 2019, E&Y Inc. was

appointed as the Monitor for AgMedica. Alex Morrison, Senior Vice President of E&Y Inc., was the primary contact of the Monitor for the *CCAA* proceedings.

19. During the *CCAA* proceedings, the Plaintiff, through its affiliate OGS Services Canada Ltd., proposed a term sheet to AgMedica and the Monitor which would provide Debtor in Possession Financing ("DIP Financing") to AgMedica. The term sheet was rejected notwithstanding the fact that it provided superior funding, at a lower cost alongside other advantages to the creditors and to the Company when compared to the option that was ultimately selected.

20. At the conclusion of the *CCAA* proceedings, a Plan of Compromise and Arrangement was established which resulted in the issuance of more than 400,000,000 Class A Preferred Shares being issued at a price of CAD$0.01 per share to individuals identified to the Court only as "Confidential Investors". Importantly, the Plan of Compromise and Arrangement also terminated the Shareholders' Agreement with no notice to the affected shareholders, including the Plaintiff, AgMedica's largest investor by dollar value.

21. The Class A Preferred Shares were offered to and acquired by only a small group of undisclosed "Confidential Investors" pursuant to a process that was also not disclosed. The Class A Preferred Shares were not offered publicly to investors nor were they offered to existing shareholders, including notably to the Plaintiff who was the largest single investor in the history of the Company by dollar value. There was also no information provided to existing shareholders, including the Plaintiff, in respect of the valuation

exercise undertaken by AgMedica and the Monitor to arrive at the number of shares to be issued and/or the price per share at which such shares would be issued.

22. In materials filed on July 29, 2020 in support of the Motion by AgMedica and the Monitor to approve the Plan of Compromise and Arrangement, affidavit evidence was given by Trevor Henry seeking a Sealing Order to prevent disclosure of the names of the Confidential Investors. Trevor Henry gave evidence supporting the Sealing Order and stated in his Affidavit that the identities of the confidential investors or "Equity Subscribers" was commercially sensitive and personal information, the disclosure of which would adversely impact the Applicants, their stakeholders, and the Equity Subscribers. Trevor Henry's Affidavit also stated that, *"[t]he Applicants are of the view that no stakeholders will be materially prejudiced by sealing the commercially sensitive and personal information…"* The Affidavit of Trevor Henry concluded by stating that *"[t]he Monitor supports the proposed Sealing Order."*

23. E&Y Inc. also filed its Eighth Report of the Monitor dated July 31, 2020 in which the following was stated at Paragraph 121:

> *"The Applicants are seeking to seal Confidential Exhibit "B" to the Henry Affidavit as it contains the identities of the Equity Subscribers. The Equity Subscribers have specifically requested that their identities remain confidential at this time. The Monitor has reviewed Confidential Exhibit "B" to the Henry Affidavit and agrees that the identities of the Equity Subscribers constitute commercially sensitive and personal information the disclosure of which in advance of the Plan Implementation Date could adversely affect the Applicants and the Equity Subscribers. The Monitor supports the request by the Applicants for a sealing order in the circumstances."*

24. The identity of the Confidential Investors was not otherwise disclosed and was specifically unknown to the Plaintiff until April 25, 2022, when, following several

unanswered requests by McPhee, AgMedica provided the Plaintiff with a copy of the Company's Shareholder Register.

25. The Shareholder Register revealed that Trent Henry, Trevor Henry and various other Henry family members were included among the very small number of "Confidential Investors" who had purchased the 400,000,000 shares of AgMedica at a valuation of only CAD$0.01.

26. More specifically, the Shareholder Register shows that Trent Henry personally acquired 15% of the Class A Preferred Round, or 60,000,000 Class A Preferred Shares. He also holds 933,825 Common Shares in the capital of AgMedica while his spouse, Lisa, holds 488,793 Common Shares. Trevor Henry personally acquired 10% of the Class A Preferred Shares or 40,000,000 Class A Preferred Shares. He also holds 16,234,020 Common Shares and 104,356 Class B Shares and appears to hold further shares in certain holding companies, the particulars of which have not been provided to the Plaintiff. A review of the register shows that the Henry Twin Brothers and their close or immediate relatives (spouses and perhaps parents) collectively own nearly half of AgMedica's shares.

The Monitor and Trent Henry

27. E&Y Inc. was the Court-Appointed Monitor of AgMedica throughout its *CCAA* proceedings, with the engagement commencing in or around December of 2019 and concluding in or around November of 2020.

28. E&Y Inc. was appointed as Monitor pursuant the Court's Initial Order dated December 2, 2019. By the express wording of that Order, E&Y Inc. was appointed as an

Officer of the Court in respect of AgMedica's *CCAA* proceedings. In addition to its duties to the Court, E&Y Inc. was a fiduciary to the stakeholders in the *CCAA* proceedings, specifically including the Plaintiff. As the Monitor, E&Y Inc. was required to assume duties of impartiality and independence from AgMedica and its stakeholders.

29. Trent Henry, Global Vice Chair of Talent at E&Y LLP (and E&Y Inc.'s former Canadian CEO and Chairman of the Board), was both a pre-*CCAA* shareholder of AgMedica and one of the small number of "Confidential Investors" in the offering of Class A preferred shares in the capital of the Company carried out at the conclusion of the *CCAA* process.

30. Trent Henry served as a Director of E&Y Inc. until on or around June 30, 2018. Alex Morrison, of the Court-Appointed Monitor in the AgMedica proceedings, is also a Director of E&Y Inc. and has been since on or around July 1, 2016. As a result, Trent Henry and Alex Morrison served together as Directors of E&Y Inc. for approximately two years.

The Monitor's Fees & Dockets

31. In the course of its mandate, according to records included in the *CCAA* proceedings, E&Y Inc. was paid more than CAD$1,740,000 in fees for its role as Monitor up to June 30, 2020. Further fees received by E&Y Inc. after that date until the conclusion of its mandate were not publicly disclosed.

32. In the dockets provided to the Court for approval of the Monitor's fees, references can be found to the direct participation and involvement of Trent Henry in the Monitor's mandate. The dockets are heavily redacted but include a June 17, 2020 docket entry

described as *"Call with Trevor/Trent – Industry overview/research."* The description of "Industry overview/research" occurs only slightly more than a month before the Plan of Arrangement and Compromise is put before the Court under which Trent Henry acquires an additional 60,000,000 Class A Preferred Shares of AgMedica. Other references are made in the dockets to calls with *"T. Henry"* on various dates but the entries do not explicitly state whether the calls involve Trent Henry, Trevor Henry or both.

33. The E&Y Inc. invoices furnished to the Court for approval include instructions that payment of the E&Y Inc. invoice is payable to "*Ernst & Young LLP*".

The Reverse Take-Over

34. The Company announced on April 20, 2022 that it had signed a Memorandum of Understanding ("MOU") with three other companies to merge in a reverse-takeover and to *"collectively grow their position in the global cannabis market".* The aggregate deemed value of the new combined entity was announced as CAD$189,000,000.

35. While the details of the MOU are not publicly available and McPhee's requests for further information remain unanswered, less than a year and half after the *CCAA* proceedings and with no material underlying improvements in the performance of AgMedica, a radically different and vastly improved valuation of the Company and its shares appears to have been established. That valuation is materially greater by a multiple than the valuation applied in the Class A Preferred share offering within the *CCAA* Proceedings.

CAUSES OF ACTION

Gross Negligence and Wilful Misconduct

36. The Plaintiff pleads that, by virtue of their respective positions of practical and legal authority and responsibility to impact and to control the legal and practical interests of the Plaintiff, the Defendants owed a duty of care in negligence to the Plaintiff.

37. AgMedica, the Henry Twin Brothers and Peter Van Mol were parties to the Shareholders' Agreement. The Shareholders' Agreement imposed broad duties of a practical, contractual, fiduciary and legal basis on the shareholders including the Henry Twin Brothers, Peter Van Mol, the Company and its Board of Directors to avoid taking steps or engaging in transactions that gave rise to dilution or other adverse impacts and damages to the investment of the other shareholders in AgMedica. The Defendants all either knowingly breached those duties or facilitated the breach of those duties to the detriment of the Plaintiff.

38. The Plaintiff pleads that the reasonable standard of care expected and applicable in the circumstances required the Defendants to act fairly, reasonably, honestly, candidly and in the best interests of the Plaintiff.

39. The Plaintiff pleads that the Defendants wilfully misconducted themselves and were grossly negligent in failing to meet the standard of care they owed to the Plaintiff. As a result, they grossly breached their respective duties in negligence to the Plaintiff.

40. The Defendants wilfully constructed the process by which the Class A Preferred Shares would be confidentially and preferentially acquired by the Henry Twin Brothers and a small group of insiders and their affiliates to the direct and corresponding detriment

of the Plaintiff. Further, to facilitate these steps which would otherwise have been prohibited by both the implication and the express terms of the Shareholders' Agreement, the Defendants wilfully caused the Shareholders' Agreement itself to be terminated in the context of the Plan of Compromise and Arrangement without notice to the other existing shareholders, including the Plaintiff.

41. The Defendants' conduct is a severe and marked breach of the applicable standard of care owed to the Plaintiff by the Company and its operatives. The Defendants knew or ought reasonably to have known that the actions alleged herein were in gross violation of the Defendants' duties to the Plaintiff.

42. The Defendants knew or ought reasonably to have known that the issuance of the Class A Preferred Shares to the small group of confidential and undisclosed insiders, specifically including the Henry Twin Brothers, their family members and their affiliates would cause dilution, losses and damages to the existing shareholders of AgMedica including the Plaintiff to whom a duty of care was owed.

43. The gross negligence and wilful misconduct of the Defendants and of AgMedica's officers, agents, servants, and/or employees resulted in an economic loss for the Plaintiff. Specifically, the Defendants have caused the Plaintiff's investment in the Company to be severely diluted in the context of a fundamentally and irreconcilably conflicted valuation process, the details of which have not been disclosed. As a result, the Defendants have completely decimated the value of the Plaintiff's investment.

44. The actions of the Defendants in permitting the Class A Preferred Shares to be acquired by the Henry Twin Brothers, their relatives and their affiliates and/or by acquiring

the shares themselves and through their affiliates to the detriment of the Plaintiff was wilfully and grossly negligent. As a result, the Defendants' action specifically fall outside of the scope of the *CCAA* releases established within the *CCAA* Plan of Compromise and Arrangement and the related Court Orders.

Conspiracy

45. Further, and in the alternative, the Defendants collectively agreed and conspired together and with E&Y to construct a benefit for themselves and a small number of shareholders, namely the Henry Twin Brothers and their relatives and affiliates to the corresponding harm and at the exclusion of the Plaintiff.

46. The Defendants' conduct was carried out within the context of an unlawful and unpermitted conflict of interest between AgMedica and E&Y, the Henry Twin Brothers and their family members and affiliates. The result of the Defendants' conduct was to breach all fiduciary duties, statutory duties and duties of independence and impartiality owed to the Plaintiff by the Defendants and by the Monitor which was also an officer of the court. That conspiracy agreement was carried out for the automatic and inherent benefit of the parties subject to that conflict of interest and to the prejudice of the Plaintiff, while deliberately avoiding disclosure of that conflict of interest to those who would be prejudiced by it.

47. The Defendants caused the Shareholders' Agreement to be breached and ultimately terminated without notice or other disclosure to the Plaintiff. The Defendants otherwise did not disclose or make available the Class A Preferred Share Offering to the to the Plaintiff.

48. Further, the Defendants conspired to keep the identity of the "Confidential Investors" from being disclosed to the Plaintiff including but not limited to by filing materials before the Court in the form of an Affidavit of Trevor Henry and the Eighth Report of the Monitor. Trevor Henry's evidence before the Court even went so far as to state that, *"…no stakeholders will be materially prejudiced by sealing the commercially sensitive and personal information…"*

49. The Defendants and their co-conspirators knew that the unlawful acts alleged herein would likely cause injury to the Plaintiff, and as such, the Defendants are jointly and severally liable for the tort of civil conspiracy.

50. The Plaintiff has suffered damages, the full particulars of which will be provided in advance of trial, as a result of the Defendants' conspiracy.

Wilful and Intentional Breach of the Shareholders Agreement

51. Further, and in the alternative, the Plaintiff pleads that the Defendants' conduct, as set out in the preceding paragraphs, resulted in the wilful and intentional breach of the Shareholders' Agreement. The Shareholders' Agreement imposed duties on all shareholders including the Henry Twin Brothers, Peter Van Mol, the Company and its Board of Directors to avoid taking unilateral steps or engaging in transactions that gave rise to dilution or other adverse impacts and damages to the investment of the other shareholders.

52. As a result of the Defendants' acts described herein, the Plaintiff has suffered damages, the full particulars of which will be provided in advance of trial, as a result of the Defendants' conspiracy.

Breach of Fiduciary Duty

53. The Defendants owed a fiduciary duty to the Plaintiff which they knowingly and deliberately breached. The Defendants and AgMedica, through its servants, officers, employees and agents, breached their fiduciary duties in such a manner as to have knowingly and deliberately breached those duties to the Plaintiff.

54. In light of the Shareholders' Agreement and the Defendants unilateral ability to determine the practical and legal interests of the Plaintiff, they owed a fiduciary duty to the Plaintiff.

55. Further and more specifically, Trent Henry owed a fiduciary duty to the Plaintiff given his conflicting roles, capacity to influence and confluence of duties and responsibilities. At no time was there any disclosure made to the Court of Trent Henry's role at E&Y, his previous role at E&Y Inc., his involvement in the ongoing *CCAA* mandate as reflected in E&Y Inc.'s dockets, his pecuniary interest in AgMedica, his direct familial connection to AgMedica's CEO and/or to the shareholdings of his spouse and other family members and affiliates of AgMedica. Further, no disclosure was made of the history or business relationship between Trent Henry and Alex Morrison, the lead Executive from E&Y Inc. in the AgMedica *CCAA* proceedings, including the two years they spent serving together as Directors of E&Y Inc.

56. With the benefit of the present information pleaded herein, the *CCAA* filings also show that there was a specific effort by the Monitor, AgMedica and the other Defendants to anonymize the involvement of Trent Henry as an investor at a time when he and his brother and other family members could take advantage of the opportunity to subscribe for shares in the capital of AgMedica at a price of just CAD$0.01 per share and to claim a substantial total share of the AgMedica on a go-forward basis through dilution and devaluation of the shares held by the Plaintiff.

57. The actions of the Defendants are a clear breach of their respective fiduciary duties to the stakeholders of the *CCAA* proceedings including the Plaintiff.

58. The Plaintiff has suffered damages, the full particulars of which will be provided in advance of trial, as a result of the Defendants breaches of their fiduciary duties.

Concealment and Discoverability

59. The Defendants and E&Y concealed the factual events and circumstances giving rise to this action directly, through: (i) the choice to avoid disclosure to the Court and to the Plaintiff of the relationship between the Henry Twin Brothers and the import of that relationship on the *CCAA* proceedings, and (ii) the pursuit of a Confidentiality Order to prevent disclosure of the role of the Henry Twin Brothers and their families and affiliates in the Class A Preferred Share Offering.

60. The Defendants and E&Y otherwise indirectly took steps to conceal their conduct so that it would avoid scrutiny in the context of the *CCAA* proceedings. The Plaintiff was unable to discover the factual events with any particularity until the disclosure of the

Shareholder Register of AgMedica on April 25, 2022. The Plaintiff pleads and relies on the doctrines of concealment and discoverability.

REMEDIES

Damages

61. The Plaintiff has lost virtually the whole benefit of its CAD$12.5 million capital investment in AgMedica. The Plaintiff has been made subject to the *CCAA* Plan of Compromise and Arrangement which literally compromised, diluted and devalued its interest to the direct benefit of the Henry Twin Brothers, their family members and affiliates. That Plan of Compromise and Arrangement was constructed and arrived at through the unlawful designs of the Defendants and the Monitor.

62. The Plaintiff pleads that it is entitled to an award of damages sufficient to correct and to compensate it for the unlawful compromise, dilution and devaluation of its capital investment in AgMedica, plus interest and costs.

63. The Plaintiff pleads that it is entitled to an award that includes but is not limited to damages sufficient to provide the Plaintiff with the value of an undiluted equity position based on a proper and independent valuation.

64. The Plaintiff will provide full particulars of its losses and damages prior to the trial of this action.

Disgorgement

65. Compensatory remedies alone are inadequate to address the harm occasioned on the Plaintiff by the Defendants' unlawful actions. Equity and good conscience require the

Defendants to disgorge and to pay to the Plaintiff any shares, money or other amounts of value gained from their unlawful actions and the breaches pleaded herein.

STATUTES RELIED UPON

66. The Plaintiff pleads and relies upon the *CCAA*, the *Negligence Act*, R.S.O. 1990, c.N.1 and the *Courts of Justice Act*, R.S.O. 1990, Chapter C.43.

THE PLAINTIFF proposes that this action be tried in the City of London, in the Province of Ontario.

July 28, 2022

FOREMAN & COMPANY PROFESSIONAL CORPORATION
4 Covent Market Place
London, ON N6A 1E2

Jonathan J. Foreman (LSO# 45087H)
jforeman@foremancompany.com
Sarah A. Bowden (LSO# 56835D)
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Court File No./N° du dossier du greffe : CV-22-00001098-0000

MCI HILL INVESTMENTS LTD v. AGMEDICA BIOSCIENCE INC. et al. Court File No.
Plaintiff Defendants

I, Frederick John Durdan, hereby accept service of this Statement of Claim on behalf of the Defendants AgMedica Bioscience Inc., Trevor Henry, Peter Van Mol, and Trent Henry this 29th day of August, 2022

Gowling WLG
Per: John Durdan

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT LONDON

STATEMENT OF CLAIM

FOREMAN & COMPANY PROFESSIONAL CORPORATION
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Lawyers for the Plaintiff

TAB Z

This is Exhibit "Z" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

(Court Seal)

HILLCREST MERCHANT PARTNERS INC.

Plaintiff

and

GREENSEAL CANNABIS COMPANY LTD. and ATLAS GLOBAL BRANDS INC.

Defendants

STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The Claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date ____________________ Issued by ____________________________________

Local Registrar

Address of court office: Superior Court of Justice
393 University Avenue, 10th Floor
Toronto ON M5G 1E6

TO: GreenSeal Cannabis Company Ltd.
530 Wright Boulevard
Stratford ON N4Z 1H3

AND TO: Atlas Global Brands Inc.
566 Riverview Drive, Unit 104
Chatham, ON N7M 0N2

CLAIM

1. The Plaintiff, Hillcrest Merchant Partners Inc. ("**Hillcrest**") claims from the Defendants:

   (a) the sum of at least $667,889.55 in damages for breach of contract, including breach of the contractual duty of honest performance;

   (b) in the alternative to the above, the sum of at least $667,889.55 in unjust enrichment;

   (c) the sum of $250,000.00 in loss of chance damages;

   (d) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

   (e) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

   (f) the costs of this proceeding, plus all applicable taxes; and

   (g) Such further and other Relief as this Honourable Court may deem just.

The Parties

2. Hillcrest is an investment and financial advisory firm, based in Toronto, supporting and advising companies with mergers and acquisitions, corporate accounting, strategic finance and go-public advisory mandates.

3. The defendant GreenSeal Cannabis Company Ltd. ("**GreenSeal**") holds a licence for cannabis production from Health Canada. It operates a cannabis development and production facility in Stratford, Ontario.

4. The defendant Atlas Global Brands Inc. ("**Atlas**") is a cannabis company based in Chatham, Ontario. It distributes a portfolio of cannabis brands in Canada and in international markets.

The Contract between Hillcrest and GreenSeal

5. On or about May 19, 2022 Hillcrest and GreenSeal entered into a binding contract whereby GreenSeal appointed Hillcrest as its exclusive financial advisor for an initial period of nine months (the "**Agreement**").

6. Under the Agreement, Hillcrest undertook to provide financial advisory services to GreenSeal for a number of potential strategic alternatives (the "**Hillcrest Services**"), including the acquisition of assets and the acquisition of other companies by GreenSeal, the sale of GreenSeal and the sale of its assets, and a strategic investment to create value for the GreenSeal's shareholders (each potential transaction being a "**Proposed Transaction**").

7. As consideration for the Hillcrest Services in the Agreement, GreenSeal agreed to pay Hillcrest:

(a) A completion fee (the "**Completion Fee**") of 4% of the transaction value of any Proposed Transaction. "Transaction Value" in the Agreement is defined to mean

GreenSeal's aggregate enterprise value (calculated as the fully diluted in-the-money equity value plus debt and liabilities) less cash;

(b) A break fee of 50% of any break fee paid to the GreenSeal in connection with any Proposed Transaction; and

(c) A work fee (the "**Work Fee**") of $10,000 per month plus applicable taxes.

8. Also in consideration of the Hillcrest Services, GreenSeal agreed (i) to include a reference to Hillcrest being GreenSeal's financial advisor in any press release or public announcement made with respect to a Proposed Transaction, and (ii) that Hillcrest could, at its own expense, place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties that Hillcrest had acted as GreenSeal's financial advisor in connection with a Proposed Transaction.

9. Hillcrest and GreenSeal agreed that the Completion Fee would be payable to Hillcrest for any Proposed Transaction completed, or entered into (and subsequently completed), by GreenSeal during the period when Hillcrest was acting as GreenSeal's exclusive financial advisor under the Agreement.

10. Hillcrest and GreenSeal also agreed that the Completion Fee would be payable to Hillcrest within twelve months following termination of the Agreement for any Proposed Transaction completed, or entered into (and subsequently completed), by GreenSeal where the potential buyer has been introduced to GreenSeal by Hillcrest.

11. In the Agreement, GreenSeal agreed to a number of binding due diligence and disclosure obligations to Hillcrest (the "**Disclosure Obligations**"), including the following:

(a) GreenSeal agreed to advise Hillcrest promptly of any material change, actual or contemplated, in any information provided to Hillcrest concerning GreenSeal or a Proposed Transaction and, to the extent that GreenSeal was aware or became aware of such changes, in any material change in information concerning any relevant third party. GreenSeal also agreed to advise Hillcrest if there was any undisclosed material fact concerning GreenSeal and a Proposed Transaction;

(b) GreenSeal agreed to notify Hillcrest promptly of any notice by any governmental, judicial or regulatory authority requesting any information, meeting or hearing relating to GreenSeal, any Proposed Transaction or any other event or state of affairs that might be relevant to Hillcrest's due diligence investigations; and

(c) In the event that GreenSeal determined to make information concerning GreenSeal and/or a Proposed Transaction available to third parties, including any management information circular sent to the GreenSeal's securityholders (the "**Disclosure Documents**"), GreenSeal agreed to provide Hillcrest with an opportunity to review and provide comments on drafts of any such Disclosure Documents.

12. By virtue of the Agreement, GreenSeal was obliged to make the Disclosure Obligations to Hillcrest in respect of any Proposed Transaction.

13. By virtue of the Agreement, the parties agreed that Hillcrest would be GreenSeal's exclusive financial advisor for the term of the Agreement (the "**Exclusivity Arrangement**").

14. The Agreement did not contain an appendix enumerating any entities that would limit or circumscribe the scope of the Exclusivity Arrangement. Such an appendix is customary in the financial advisory industry when parties intend exclusivity to be only in respect of certain enumerated entities or companies.

15. The Exclusivity Arrangement in the Agreement was at large and concerned any Proposed Transaction with any third party.

16. The Exclusivity Arrangement was instrumental to the Agreement and was a crucial way for Hillcrest to create deal tension between potential acquirers of GreenSeal. Without the Exclusivity Arrangement, there was no way for Hillcrest to create deal tension between potential acquirers of GreenSeal or to maximize value for GreenSeal, which was the purport and object of the Hillcrest Services.

17. The Exclusivity Arrangement also ensured that there was a simple and organized process to present GreenSeal in a professional manner to potential bidders. Having one, exclusive, financial advisor ensured a streamlined process with the objective of maximizing value by receiving multiple offers.

18. The Exclusivity Arrangement was also instrumental to the consideration received by Hillcrest for the Hillcrest Services. The lion's share of that consideration consisted in the Completion Fee. Without the Exclusivity Arrangement, GreenSeal would be able to use Hillcrest's work product, advice and the Hillcrest Services to arrange a Proposed Transaction behind Hillcrest's back to avoid paying the Completion Fee.

Hillcrest Performs its Obligations under the Agreement

19. Hillcrest performed the Hillcrest Services under the Agreement to maximise value in a range of bids and potential bids to acquire GreenSeal.

20. Through May to late September, 2022, Hillcrest advised GreenSeal on how to position itself to potential acquirers and how to present its financial information, forecasts and growth potential to the best of its advantage with teasers, slide decks and non-disclosure agreements. Hillcrest also prepared term sheet analyses for GreenSeal and advice about how to structure different types of transactions to maximise value.

21. Hillcrest also arranged site visits for potential acquirers to GreenSeal's facility in Stratford, Ontario and acted as the exclusive conduit between such potential acquirers and GreenSeal to present GreenSeal's financial data and projections, preparatory to any acquisition transaction.

22. To Hillcrest's knowledge and reasonable understanding, GreenSeal acted as if the Exclusivity Arrangement applied during the period from May 19, 2022 to January 12, 2023. GreenSeal funneled entities with which it had a pre-existing relationship to Hillcrest as its exclusive financial adviser in order to maximise value, create deal tension and prepare potential acquisition bids.

23. In August and September, 2022, by virtue of the Hillcrest Services and the deal tension that flowed from the Exclusivity Arrangement, Hillcrest was able to arrange and structure two attractive acquisition offers for GreenSeal from reputable acquisition entities (the "**Fall Offers**").

24. One of these Fall Offers offered total consideration of $20,000,000 to acquire GreenSeal, contingent on the production of actual balance sheets and income statements from GreenSeal which could corroborate its projected fiscal situation (which projections from GreenSeal were

reasonably relied on by Hillcrest to arrange and structure the Fall Offers). This offer of $20,000,000 was significantly more than the acquisition offer made by Atlas (discussed below), which GreenSeal ultimately accepted.

25. Ultimately, however, in the second half of September, 2022 the Fall Offers fell through because of the significant disparity between GreenSeal's actual balance sheets and income statements and the projections for same that GreenSeal had previously circulated.

GreenSeal requests a "pause"

26. After the Fall Offers fell through, on or about October 17, 2022, Phil Niles, executive vice-president of GreenSeal, wrote an email to Geoff St. Clair of Hillcrest saying that GreenSeal was putting efforts to find a potential acquirer "on pause."

27. Unbeknownst to Hillcrest, in or around the time of this requested "pause" – and in any event no later than one month before January 12, 2023 – GreenSeal engaged in acquisition negotiations with Atlas behind Hillcrest's back in violation of the Exclusivity Arrangement and the Agreement.

28. During the time of this requested "pause," in late 2022 and early 2023, GreenSeal never informed Hillcrest that it was engaging in acquisition negotiations with Atlas, or any other entity, nor did it inform Hillcrest of any understanding or position that the Exclusivity Arrangement no longer applied.

29. During this period Hillcrest understood and acted on the understanding that GreenSeal was abiding by the Exclusivity Arrangement and that it was not engaging or negotiating with any entities behind Hillcrest's back.

30. Hillcrest only learned of GreenSeal's negotiations with Atlas, and its Proposed Transaction with Atlas, as a result of the January 12, 2023 press release, discussed below.

The Atlas Press Releases

31. On January 12, 2023, which was within the initial nine month term of the Agreement and during the Exclusivity Arrangement, Atlas released a press release announcing that it had entered into a binding letter of intent ("**LOI**") to acquire all of the outstanding securities of a privately-owned licensed cannabis producer based in Ontario, which had facilities and cultivation processes that were GACP and CUMCS certified to add an additional 3,500 kilograms in annual production capacity.

32. The press release referred to this transaction as the "Proposed Transaction" and did not name the entity to be acquired.

33. The anonymized, privately-owned licensed cannabis producer referenced in this press release was GreenSeal, which had, no later than January 12, 2023, entered into the binding LOI with Atlas.

34. It is unusual and contrary to Ontario capital market conventions to anonymize a party to a LOI in a press release of this kind. Neither Atlas nor GreenSeal had a legitimate reason to supress GreenSeal's identity in the January 12, 2023 press release.

35. By the time of the press release on January 12, 2023, the closing date for the "Proposed Transaction" had been finalized and agreed by GreenSeal and Atlas and each entity had reported the "Proposed Transaction" to its regulator.

36. There is no reference to Hillcrest in the press release on January 12, 2023 nor any mention in it of Hillcrest being GreenSeal's financial advisor.

37. Only later, when the initial nine-month term of the Agreement had expired, did Atlas release another press release, dated February 27, 2023 identifying and naming GreenSeal as the acquisition target with which it had signed the LOI. This second press release announced that, on February 24, 2023, Atlas had signed a definitive agreement to acquire GreenSeal.

38. The second press release announced, and the fact is, that pursuant to a share purchase agreement between the parties, Atlas would issue up to 11,500,000 common shares in Atlas to acquire 100% ownership of the issued and outstanding common and preferred shares of GreenSeal.

39. There is no reference to Hillcrest in the press release on February 27, 2023 nor any mention in it of Hillcrest being GreenSeal's financial advisor.

Breach of Contract by GreenSeal

40. In late 2022 and early 2023, in breach of the Agreement and the Exclusivity Arrangement, GreenSeal used Hillcrest's work product, professional advice, knowledge, insight and the Hillcrest Services to negotiate the LOI and the acquisition of GreenSeal by Atlas, which was a Proposed

Transaction within the meaning of the Agreement and for which a Completion Fee is payable to Hillcrest.

41. Further particulars of these breaches of contract have been concealed from Hillcrest and are within the knowledge of GreenSeal, which went behind Hillcrest's back to negotiate with Atlas and to deprive Hillcrest of the Completion Fee.

42. Also, in late 2022 and early 2023, when GreenSeal was covertly negotiating the LOI with Atlas, GreenSeal did not abide by the Disclosure Obligations and breached the Agreement by not:

(a) Informing Hillcrest promptly of any material change, actual or contemplated, in any information provided to Hillcrest concerning GreenSeal or a Proposed Transaction;

(b) Informing Hillcrest of any event or state of affairs that might be relevant to Hillcrest's due diligence investigations;

(c) Providing Hillcrest with an opportunity to review and provide comments on drafts of any Disclosure Documents (as defined above).

43. In the two press releases, referenced above, on January 12, 2023, and February 27, 2023, GreenSeal breached the Agreement by not referencing Hillcrest as GreenSeal's financial advisor, or by not insisting to Atlas that Hillcrest should be so referenced in the press releases. A significant part of the consideration for the Hillcrest Services in the Agreement was Hillcrest's bargained right to publicity as the relevant financial adviser on the completion or announcement of a Proposed Transaction.

44. Such publicity is an important way of winning future business in the financial advisory industry, especially in the highly competitive cannabis sector. By depriving Hillcrest of its due and bargained right to publicity in connection with the Proposed Transaction with Atlas, GreenSeal deprived Hillcrest of the chance to win lucrative further business as a result of the industry kudos and prestige that comes with such announcements.

Breach of Contractual Duty of Honest Performance by GreenSeal

45. By covertly negotiating the LOI and the acquisition by Atlas, behind Hillcrest's back, GreenSeal acted in bad faith and failed to have appropriate regard for Hillcrest's legitimate contractual interests.

46. Further, GreenSeal knew or should have known that Hillcrest understood that the Exclusivity Arrangement applied and was binding on GreenSeal during the initial, nine-month term of the Agreement. GreenSeal gave Hillcrest the impression that it also understood that the Exclusivity Arrangement applied and was binding on GreenSeal during the initial, nine-month term of the Agreement.

47. If GreenSeal took a different view of the Exclusivity Arrangement, such that it really believed that the Exclusivity Arrangement did not apply and that it could negotiate unilaterally and covertly with Atlas, thereby depriving Hillcrest of the Completion Fee, it was obliged to correct the false impression it had created by its own behaviour.

48. GreenSeal did not correct that false impression and misled Hillcrest in breach of its contractual duty of honest performance.

Atlas' Knowledge of the Agreement and GreenSeal's Breach of Contract

49. Atlas knew no later than January 12, 2023, the date of the first Atlas press release, that GreenSeal had breached the Agreement with Hillcrest. On that date, GreenSeal's identity was anonymized in the first press release in order to deflect attention from the fact that the LOI had been entered into during the term of the Agreement and the Exclusivity Arrangement.

50. On February 1, 2023, during the term of the Agreement and the Exclusivity Arrangement, Hillcrest's counsel wrote to GreenSeal's counsel, demanding payment of the Completion Fee and the outstanding Work Fee and putting GreenSeal on notice of the breach of the Agreement occasioned by GreenSeal's LOI with Atlas (the "**Demand Letter**").

51. GreenSeal has not paid the Completion Fee or the outstanding Work Fee in response to the Demand Letter or otherwise.

52. Subsequent to the Demand Letter, Atlas became aware of Hillcrest's position that GreenSeal had breached the Agreement and, with full knowledge of that fact, completed the acquisition of GreenSeal.

Atlas induced GreenSeal to breach its contract with Hillcrest

53. Atlas induced GreenSeal to breach the Agreement.

54. The Agreement is a valid and enforceable contract and Atlas was aware of its terms. Atlas intended to, and succeeded in, inducing GreenSeal to breach the Agreement.

55. By the time the LOI was announced by Press Release on January 12, 2023, during the initial nine-month term of the Agreement, Atlas knew the terms of the Exclusivity Arrangement and conspired with GreenSeal to deprive Hillcrest of the Completion Fee. GreenSeal's identity was deliberately anonymized in that press release in order to prevent Hillcrest becoming aware of the breach during the initial nine-month term of the Agreement.

56. Hillcrest suffered damages as a result of Atlas inducing GreenSeal's breach of contract, including deprivation of the Completion Fee and deprivation of its bargained right of publicity in connection with the transaction between GreenSeal and Atlas.

Damages

57. Atlas has acquired GreenSeal and is liable for its contractual obligations under the Agreement.

58. Based on the "Transaction Value" as defined in the Agreement, GreenSeal and Atlas are jointly and severally liable in breach of contract damages to Hillcrest for the Completion Fee of at least $561,052.70 plus HST.

59. GreenSeal and Atlas are also jointly and severally liable in breach of contract damages to Hillcrest for the outstanding Work Fee of $30,000 plus HST.

60. The HST to be added to these damages for breach of contract is $76,836.85, leading to aggregate breach of contract damages incurred by Hillcrest of at least $667,889.55.

61. Atlas is also concurrently liable to Hillcrest in tort, in the amount of at least $667,889.55, for inducing GreenSeal to breach the Agreement, thereby depriving Hillcrest of the Completion Fee and the outstanding Work Fee.

62. The Completion Fee owed to Hillcrest may be higher than $561,052.70 plus HST. The particulars going to the calculation of the Completion Fee are within the knowledge of the Defendants and have not been provided to Hillcrest.

63. In the alternative to breach of contract damages, GreenSeal and Atlas, jointly and severally, have been unjustly enriched by at least $667,889.55 by their retention of the Completion Fee and the outstanding Work Fee, which has occasioned a corresponding detriment to Hillcrest, and for which there is no juristic reason.

64. In addition, Hillcrest also claims $250,000.00 in loss of chance damages from GreenSeal and Atlas to compensate for GreenSeal's breach of the Agreement by not referencing Hillcrest being GreenSeal's financial advisor in the press releases on January 12, 2023 and February 27, 2023.

65. Hillcrest proposes that this action be tried in the City of Toronto.

April 14, 2023

WEINTRAUB ERSKINE HUANG LLP
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Fax: 416-306-8451

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Lawyers for the Plaintiff

Court File No.

HILLCREST MERCHANT PARTNERS INC.
Plaintiff

-and-

GREENSEAL CANNABIS COMPANY LTD. et al.
Defendants

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

STATEMENT OF CLAIM

WEINTRAUB ERSKINE HUANG LLP
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Lawyers for the Plaintiff

RCP-E 4C (September 1, 2020)

TAB AA

This is Exhibit "AA" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

DLA PIPER

DLA Piper (Canada) LLP
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FILE NUMBER: 106252-00004

July 6, 2023

DELIVERED BY COURIER

Atlas Global Brands Inc.
1700, 1055 West Hastings Street
Vancouver, BC V6E 2E9

Dear Sir/Madam:

Re: Rage Studios Inc. operating as Vimark Solutions v. Atlas Growers Ltd. et al - Action No. 2303 11540

Further to the above noted matter, please be advised that we are the solicitors for Vimark Solutions. We enclose for service upon you a copy of our filed Statement of Claim.

Kindly govern yourself accordingly.

Sincerely,

DLA PIPER (CANADA) LLP
Per:

Jerritt R. Pawlyk
JR.P/ji
Enclosures

COURT FILE NUMBER		Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	JUDICIAL CENTRE OF EDMONTON FILED DIGITALLY 2303 11540 Jun 27, 2023 1:45 PM CLERK OF THE COURT
JUDICIAL CENTRE	EDMONTON	
PLAINTIFF	RAGE STUDIOS INC. operating as VIMARK SOLUTIONS	
DEFENDANT	ATLAS GROWERS LTD. and ATLAS GLOBAL BRANDS INC.	
DOCUMENT	**STATEMENT OF CLAIM**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	DLA Piper (Canada) LLP 2700, 10220-103 Ave NW Edmonton, AB T5J 0K4 **Attention: Jerritt R. Pawlyk** Phone: 780.426.5330 **File No. 106252-00004**	

NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

STATEMENT OF FACTS RELIED ON:

1. The Plaintiff, Rage Studios Inc. operating as Vimark Solutions ("Rage") is an Alberta Corporation.

2. The Defendant, Atlas Growers Ltd. ("Growers") is an Alberta Corporation.

3. The Defendant, Atlas Global Brands Inc.("Global") is an British Columbia Corporation.

4. Rage provided promotional materials for the Defendants, for which the Defendants agreed to pay (the "Agreement")

5. Rage provided materials pursuant to the Agreement and invoiced the Defendants $15,582.00 in respect of same.

6. There is due and owing to Rage from the Defendants the sum of $15,582.00 including interest which Rage is entitled to Judgment.

7. Alternatively, Rage is entitled to claim against the Defendants $15,582.00, plus costs and interest further increasing, on the basis of *Quantum Meruit* either contractual or restitutionary, the particulars of which include but are not limited to the following:

   a) Rage provided materials to the Defendants resulted in an incontrovertible benefit to the Defendants in the sum of $15,582.00, such benefit being freely accepted by Brand;

   b) It was always the intention of Rage to be compensated for the materials provided to the Defendants, and the Defendants always knew of this intention;

   c) The Defendants always had knowledge of the benefit they would be receiving as a result of the materials provided by Rage; and

   d) The Defendants expressly or by implication, requested that Rage provide the materials.

8. Further, or in the alternative, the provision of the materials and from Rage amounted to an enrichment to the Defendants and a corresponding deprivation to Rage, without juristic reason.

9. Rage is entitled to pre-judgment interest pursuant to the Agreement.

10. Rage proposes that this is a standard case, to be tried in Edmonton, Alberta.

REMEDY SOUGHT:

11. Judgment against the Defendants:

    a) in the amount of $15,582.00;

    b) Interest pursuant to the *Judgment Interest Act*, RSA 2000, c J-1;

    c) costs of this action on a solicitor-client basis, or alternatively, party-party costs; and

    d) such further and other relief as this Honourable Court deems just and appropriate.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada.

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

TAB BB

This is Exhibit "BB" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Form 10
[Rule 3.25]

COURT FILE NUMBER	2403 00538
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF(S)	**1402171 ALBERTA INC.**
DEFENDANT(S)	**ATLAS GLOBAL BRANDS INC.**
DOCUMENT	**STATEMENT OF CLAIM**

Clerk's Stamp
JUDICIAL CENTRE OF EDMONTON
FILED
Jan 9, 2024
ENT-MB
by Email
CLERK OF THE COURT
250-
GPAS
TD ID#10130402

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	ISRAEL FOULON WONG LLP 65 St. Clair Avenue East, Suite 200 Toronto, Ontario M4T 2Y8 Alex Van Kralingen | avankralingen@israelfoulon.com Katherine Chau | kchau@israelfoulon.com (p) 416.640.1550

NOTICE TO DEFENDANT(S)

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

STATEMENT OF FACTS RELIED ON:

The Parties

1. The Plaintiff, 1402171 Alberta Ltd. ("**Gossain's Company**"), is a corporation incorporated pursuant to the laws of the province of Alberta, with its registered office and head office located in Alberta. Gossain's Company is operated by its principal, Jeffrey Gossain ("**Gossain**"), and for all purposes relevant to this proceeding, provided Gossain's services to the defendant corporation, Atlas Global Brands Inc. (hereinafter "**Atlas Global**" or the "**Company**").

2. Atlas Global is a corporation incorporated pursuant to the laws of the province of British Columbia, previously operating under the name Silver Phoenix Resources Inc. (“**Silver Phoenix**”). Atlas Global’s registered office is in British Columbia, and the Company’s head office is in Chatham, Ontario. The Company carries on a business as a grower and retailer of cannabis products with operations in Canada and Israel. As is discussed further below, Atlas Global is the combination of several businesses pursuant to a corporate transaction that was completed on or about January 4, 2023.

The Reverse Take-Over of Silver Phoenix & The Creation of Atlas Global

3. The context for this proceeding starts with a series of corporate transactions on January 4, 2023, which led to Gossain serving as Atlas Global’s Chief Operating Officer.

4. Before working for Atlas Global, Gossain was formerly the President, Chief Operating Officer, and a director of Atlas Biotechnologies Inc. (“**Atlas Biotech**”), through a comparable consulting agreement between Gossain’s Company and Atlas Biotech. Atlas Growers Ltd. (“**Atlas Growers**”) is a wholly owned subsidiary of Atlas Biotech and is a federally-licensed cultivator and processor of cannabis products. In advance of the January 4, 2023 transaction, the Atlas Growers Board of Directors was comprised of Gossain, Sheldon Croome, and Cale Alacer.

5. In the December of 2021, Atlas Biotech was approached by Dr. Tamir Gedo, a founder and director of Cambrosia Ltd. (“**Cambrosia**”), who expressed an interest in acquiring assets of licenced cannabis producers in Canada, in support of a proposed business that would grow, distribute and sell cannabis in Canada and beyond. Separately, Cambrosia was also interested in becoming immediately publicly listed on a stock exchange. To that end, they sought out a target company for a reverse take-over transaction, whereby a publicly traded target corporation could acquire all the assets of a private company, resulting in the private company “going public” through the transaction.

6. Eventually, it was agreed that Atlas Biotech, Cambrosia and AgMedica Bioscience Inc. (“**AgMedica**”) would effect a business combination that would result in a reverse take-over of a publicly-traded target company. These three companies agreed, and pursued Silver Phoenix, a publicly traded company on the Canadian Securities Exchange.

7. On July 14, 2022, Silver Phoenix, Atlas Biotech, AgMedica and Cambrosia, 2432998 Alberta Ltd., 14060407 Canada Inc. and the ordinary shareholders of Cambrosia entered into an "*Amalgamation and Share Exchange Agreement*" that would complete a business combination that would result in a reverse take-over of Silver Phoenix, as well as amalgamate the other companies (the "**Definitive Agreement"**).

8. Pursuant to the Definitive Agreement, on or about January 4, 2023, the above-referenced reverse take-over and amalgamation transaction was completed. Atlas Biotech, AgMedica and Cambrosia amalgamated, while at the same time Cambrosia acquired various privately held operating cannabis pharmacies in Israel. Collectively, the above-referenced transactions on January 4, 2023 are hereinafter referred to as the "**RTO Transaction**".

9. As a consequence of the RTO Transaction, Atlas Global was created.

10. Notably, the RTO Transaction involved significant due diligence, with Atlas Global engaging high-quality lawyers to advise and execute the reverse take-over and amalgamation. As an officer and director of Atlas Biotech and its subsidiary Atlas Growers, Gossain made himself available to discuss any questions that the other parties had, and further, provided ease of access to any requested documents.

The Consulting Agreement

11. In conjunction with the RTO Transaction, Gossain's Company and Atlas Global entered into a consulting services agreement on December 30, 2022 (the "**Consulting Agreement"**). As Gossain was one of the principals of Atlas Biotech, his knowledge and experience was critical to the success of Atlas Global.

12. The essential terms of the Consulting Agreement are as follows:

(a) Gossain was to provide services to the Company as its Chief Operating Officer. These services were to be delivered by Gossain exclusively – Gossain's Company could not substitute another worker for Gossain to complete the assigned tasks;

(b) in exchange for the services rendered:

(i) Gossain's Company would be paid a fee ("**Consulting Fee**") of $240,000 per annum, plus HST, paid bi-weekly until the Salary Trigger Date (as that term is defined in the Consulting Agreement) when the Consulting Fee would be increased to $260,000 per annum. Based on the definition in the Consulting Agreement, the Salary Trigger Date was July 1, 2023;

(ii) Gossain would be treated as an employee of Atlas Global for the purposes of employee benefits; and

(iii) Gossain's Company was to be reimbursed for all reasonable and standard expenses Gossain incurred in the course of his work for Atlas Global;

13. Section 2.8 of the Consulting Agreement addresses the parties' rights to terminate the contract. Various subsections of Section 2.8 permitted the Consulting Agreement to be terminated in the circumstances of death or disability, or through a corporate change of control.

14. Separately, section 2.8.2 of the Consulting Agreement allowed Atlas Global to terminate the agreement upon Gossain's Company receiving a stipulated contractual payment. Section 2.8.2 of the Consulting Agreement reads:

> 2.8.2 **Termination.** The Company may terminate this Agreement at any time by providing the Consultant with payment of an amount equal to six months of the Consulting Fee at the relevant time plus two additional months of the Consulting Fee for each full calendar year from November 1, 2015 to the date of termination, to an aggregate maximum of 24 months of Consulting Fees. Payment of any amounts above the minimums required by applicable employment standards legislation, if any, are conditional on the Consultant and Mr. Gossain executing a full release of liability in favour of the Company and its affiliates.

(the "**Termination Clause**")

15. The Consulting Agreement provides for no right to terminate the agreement without payment on a "for cause" basis. No such provision exists, and in fact, the Consulting Agreement does not provide for a definition of "cause".

16. Further, section 1.4 of the Consulting Agreement contains an '*Entire Agreement*' clause, stating that there are no terms outside of the Consulting Agreement and the non-disclosure agreement, which governed Gossain and Gossain's Company's working relationship with Atlas Global. This clause also includes an acknowledgement that no party was induced to enter into the

Consulting Agreement and provides that there is no liability for any warranty or representation except to the extent it is included as a term in the Consulting Agreement or the Non-Disclosure Agreement.

17. Section 1.3 of the Consulting Agreement states that the laws of the province of Alberta govern the agreement. Section 3.3 of the Consulting Agreement states that the parties to the agreement attorn to the exclusive jurisdiction of the Courts of the province of Alberta for the purposes of any disputes, even though Atlas Global's registered office is in British Columbia, and its head office is in Ontario.

Gossain's Working Relationship with the Company

18. On or about January 4, 2023, Gossain assumed the responsibilities as Chief Operating Officer of Atlas Global in accordance with the terms of the Consulting Agreement.

19. Specifically, from that point going-forward:

(a) Gossain delivered services as the Company's Chief Operating Officer;

(b) Gossain's Company was paid the Consulting Fee of $240,000, plus HST, bi-weekly; and

(c) Gossain participated in the Company's group benefits and insurance plan;

20. The Consulting Agreement required Gossain to devote his full business time and attention to Atlas Global. As such, there was exclusivity of Gossain's Company's services to Atlas Global. Gossain's Company was economically dependent on Atlas Global, as the revenue from the Consulting Agreement was its primary source of income. Gossain's Company undertook no financial risk in performing its services for the Company and was subject to the Company's direction and control. Accordingly, Gossain's Company was a dependent contractor of Atlas Global.

The Financial Difficulties of Atlas Biotech and Atlas Growers

21. Atlas Biotech owed $499,802.13 in unpaid property taxes to Lac Ste. Anne County (the "**Municipality**") on its facility in Gunn, Alberta (the "**Atlas Growers Facility**") plus the 2023 taxes assessed at $99,694.47 which would be due and payable on June 30, 2023. The outstanding

property taxes owing at the time of the RTO Transaction were known and available to Atlas Global as part of its due diligence process. The RTO Transaction proceeded nonetheless.

22. Regardless, Atlas Biotech was unable to pay the tax arrears in full; and as such, Atlas Biotech entered into an agreement with the Municipality on or about March 10, 2023 to pay the property tax arrears in monthly installments.

23. In or around April 2023, Bonsai Growth Administration Inc. ("**Bonsai**"), a secured creditor of Atlas Growers, began threatening to take enforcement steps in connection with its July 21, 2022 loan agreement with Atlas Growers, in the amount of $1,000,000 (the "**Bonsai Loan**"). Around this time, Agriculture Financial Services Corporation ("**AFSC**"), another secured creditor of both Atlas Biotech and Atlas Growers, made a demand for payment and advised of its intention to enforce on two significant loans with Atlas Biotech, exceeding $8 million. AFSC's choice to take these steps was prompted by a communication to AFSC from Atlas Global's Chief Financial Officer, Jason Cervi, who advised that Atlas Global was no longer willing to support what the Company perceived to be the failing operations of Atlas Biotech and Atlas Growers.

24. In light of these outstanding liabilities, Atlas Global decided on or about May 31, 2023 to wind down Atlas Biotech and Atlas Growers and to liquidate all their assets. On June 2, 2023, Atlas Global announced that it would cease operations at the Atlas Growers Facility.

The Termination

25. On June 2, 2023, Atlas Global sent a letter requesting Gossain's Company to resign and voluntarily terminate the Consulting Agreement. Gossain's Company (through Gossain) did not agree to this request.

26. Shortly thereafter, on June 6, 2023, Gossain's Company was provided with a termination letter indicating that Atlas Global was terminating the Consulting Agreement, for cause, effective immediately (the "**Termination Letter**").

27. The Termination Letter indicated that its relationship with Gossain's Company was being terminated for cause, due to the alleged failure to disclose matters to the Board of Directors of Atlas Growers prior to the RTO Transaction. The Termination Letter cited six alleged undisclosed

items, providing the following reasons in support of a "just cause" termination of the Consulting Agreement:

> "(i) material loan amounts with Bonsai; (ii) significant facility maintenance challenges that require significant CAPEX; (iii) the unsuccessful dispute of property tax arrears; (iv) a material amount of uncollectable receivables; (v) significant revenue declines; and (vi) $1.8M of sales tax arrears that may result in personal liability to members of the Board of Directors."

(the "**Allegations**")

28. No further detail with respect to the Allegations was proffered in the Termination Letter, despite the significant implications of Atlas Global immediately stopping payments pursuant to the Consulting Agreement and not paying any of the termination entitlements therein.

29. Gossain's Company and Gossain personally deny all the Allegations, and further deny that they have any bearing on the Consulting Agreement or Atlas Global's obligations to pay the termination entitlements therein. Gossain's Company and Gossain state that the factual underpinnings of the Termination Letter constitute severe mischaracterizations, aimed at bolstering a "for cause" termination of the Consulting Agreement. There was no breach of a duty to disclose (including any statutory, common law or contractual duties that may be owed by Gossain's Company or Gossain personally) to Atlas Growers' Board of Directors. In the alternative, Gossain's Company states that the Allegations, even if plausible or true (which is not admitted and expressly denied), do not constitute a repudiatory breach of the Consulting Agreement and do not entitle the Company to terminate the Consulting Agreement without payment in accordance with the Termination Clause.

30. With respect to each of the Allegations, Gossain's Company and Gossain deny that there were insufficient disclosures to Atlas Growers' Board of Directors. To that end, the only non-officer director of Atlas Growers was Mr. Alacer, who was kept apprised by Gossain and Mr. Croome – in their capacities as officers of Atlas Growers – of all relevant information necessary to exercise oversight over the company's affairs.

31. At all material times, there was sufficient disclosure by Atlas Biotech and Atlas Growers to both Atlas Growers' Board of Directors and the other parties to the Definitive Agreement prior to the RTO Transaction. In particular:

(a) ***Bonsai Loan*** – Atlas Growers' Board of Directors had full knowledge of the Bonsai Loan. Separately, the Bonsai Loan was disclosed through a spreadsheet used by the parties to the Definitive Agreement to understand the expected cash position after the closing of the RTO Transaction. Moreover, the proceeds from the Bonsai Loan were used to provide an August 2022 loan to AgMedica in the amount of $820,000.00, to allow AgMedica to purchase lighting equipment which allowed it to qualify for a rebate from the federal government. Accordingly, the other parties to the Definitive Agreement were fully aware of the Bonsai Loan prior to the RTO Transaction. They had the opportunity, during the due diligence period, to investigate the Bonsai Loan and failed to raise any concerns about it;

(b) ***Facility Maintenance Issues*** **–** the Atlas Growers Facility used numerous dehumidification units manufactured by Desert Aire (the "**Units**"). Since the Atlas Growers Facility opened in 2018, there were ongoing failures of the Units which resulted in various maintenance and repair costs. Dehumidification units, and proper HVAC more generally, are crucial to the success of any cannabis producer. The sorts of facility maintenance issues that Atlas Biotech was facing are the norm in the industry, due to fluctuating needs of the cannabis plant in terms of humidity and the need to create a climate-controlled environment to maximise plant production.

At all times, Atlas Biotech reported its maintenance and repair costs in its financial statements, and through various discussions with Atlas Growers' Board of Directors, as well as the other parties prior to the RTO Transaction. Atlas Growers' Board of Directors and the other parties had the opportunity during to make inquiries and to investigate these maintenance and repair costs but failed to do so;

(c) ***Property Tax Arrears*** – As is noted above, prior to the RTO Transaction, Atlas Biotech disclosed $510,498.60 in property taxes owing on the Atlas Growers Facility. Gossain and Gossain's Company deny that there were any representations made regarding the anticipated outcome of Atlas Biotech's dispute of those property tax arrears. To that end, it is disputed that the appeal was unsuccessful. On December 20, 2022, Atlas Biotech was advised that they were successful in having the 2022 assessment reduced, resulting in a tax savings of $31,544.19 per annum.

At all times, Atlas Biotech disclosed the property tax arrears in its financial statements and through various discussions with Atlas Growers' Board of Directors, as well as the other parties prior to the RTO Transaction. Atlas Growers' Board of Directors and the other parties had the opportunity during to make inquiries and to investigate these maintenance and repair costs, but failed to do so;

(d) ***Uncollectable Receivables –*** Prior to the RTO Transaction, Atlas Biotech disclosed all material information regarding major suppliers and customers, including accounts receivables, to the Atlas Growers Board of Directors and the other parties. The other parties had the opportunity during the due diligence period to investigate the accounts receivables, and failed to raise any concerns about them prior to the RTO Transaction.

In any event, approximately $117,000 of the accounts receivables was improperly recorded as a 'sale' to Freedom Cannabis that was in fact, a return. Accordingly, these amounts were not owing from Freedom Cannabis.

Moreover, there were two large receivables which were only understood as being uncollectable *after* the RTO Transaction was completed. Specifically:

(i) on or about February 3, 2023, Gossain became aware that accounts receivables of approximately $120,000.00 in royalties from Custom Cannabis were not collectible, as the company was in distress and the bank had seized its assets for collateral; and

(ii) on or about April 17, 2023, Gossain learned that the accounts receivable from Trichrome were not collectible as the company was subject to a proceeding pursuant to the *Companies Creditors Arrangement Act* and did not have liquidity for payment of the outstanding amounts;

(e) ***Alleged Revenue Declines*** - Atlas Biotech disclosed historical revenue information in their financial statements and through various discussions with Atlas Growers' Board of Directors as well as the other parties prior to the RTO Transaction. Atlas Growers' Board of Directors and the other parties had the opportunity during the due diligence process to make inquiries and to investigate the revenues of the company. They did not raise any concerns about revenue decline prior to the RTO Transaction.

Nevertheless, as background, a modest price increase – of less than five-percent (5%) – was introduced in June 2022, in direct response to raised fees from the Alberta Gaming and Liquor Commission, which has responsibility for regulating the sale of cannabis in Alberta. The margin on Atlas Biotech's products remained the same; and

(f) ***Sales Tax Arrears*** – Atlas Growers' Board of Directions and the other parties to the Definitive Agreement were fully aware of the sales tax arrears owing. During the disclosure process, Atlas Biotech disclosed that there was a HST balance owing in the amount of $852,869.87 and an excise tax balance owing in the amount of $398,949.48 to the other parties. The other parties had the opportunity during the due diligence period to investigate these arrears, including asking for updated amounts owing as of the time of closing. They did not raise any concerns about them prior to the closing of the RTO Transaction.

32. The Termination Letter also indicated that Atlas Global had "*recently conducted an investigation*" into these allegations of nondisclosure and that Gossain was provided the opportunity to meet with the Company to review these matters and provide comments.

33. Gossain's Company and Gossain deny that an opportunity was provided to meet with Atlas Global to review the Allegations outlined in the Termination Letter and to respond. At best, there was a single, short, casual and 'off-the-cuff' telephone call on May 29, 2022, where Gossain was asked about the Bonsai Loan, but none of the other Allegations canvassed in the Termination Letter. Further, at no time in advance of or during this brief telephone call did anyone from Atlas Global indicate that they were investigating reasons to terminate the Consulting Agreement for just cause. Atlas Global was obliged to do so, and the choice not to constitutes actionable bad faith.

The Consultant is Entitled to a $431,667 Payment in Consideration for the Termination

34. To date, no payments have been provided to Gossain's Company in connection with the termination of the Consulting Agreement.

35. As Atlas Global failed to comply with its obligations pursuant to the Termination Clause, Gossain's Company is entitled to receive a payment of $431,667 (which is equivalent to twenty (20) months of the Consulting Fee, which increased to $260,000 per annum as of July 1, 2023).

36. The above-referenced $431,667 is calculated in accordance with the Termination Clause, which requires:

(a) payment of six (6) months of the Consulting Fee; plus

(b) fourteen (14) months of the Consulting Fee (the equivalent of two additional months of the Consulting Fee for each calendar year from November 1, 2015 to the date of the termination on June 6, 2023).

37. By fixing this amount under the Termination Clause, the parties agreed to liquidated damages in the event of a termination of the Consulting Agreement, except for a termination due to death or disability of Gossain or a change of control. By contracting for a fixed sum of damages, the parties freely contracted out of a calculation of damages arising from termination. Accordingly, this liquidated sum is properly owing to the Consultant.

38. While the Company has alleged "*just cause*" in the Termination Letter, the Consulting Agreement does not include a term – expressed or implied – allowing for termination without payment for "just cause". As discussed above, '*Cause*' is not defined in section 1.1.5 and there is no reference to "*Cause*" in the rest of the Agreement.

39. The Consulting Agreement was drafted entirely by Atlas Global. It purposely excluded the Company's ability to terminate the Agreement without payment in the event there is '*Cause*'. As such, even if the Company had "just cause" – which is not admitted and expressly denied – Gossain's Company is still entitled to payment of $431,667.

Gossain's Company is Entitled to Outstanding Consulting Fees and Expenses Owing

40. Gossain's Company has not received $6,700.00 in payments that are owing pursuant to the Consulting Agreement, for work done in advance of June 2, 2023. Separately, Gossain's Company has unpaid expenses in the amount of $588.14. Those amounts are separately owing to Gossain's Company.

The Bad Faith Attempt to Forfeit Entitlement to Options

41. In conjunction with the RTO Transaction, Gossain was personally granted 1,753,433 options to purchase common shares of the Company (the "**Options**"), expiring in five (5) years, pursuant to a resolution of the Board of Directors of Atlas Global (the "**Board Resolution**").

42. The Board Resolution stated as follows:

> **AND WHEREAS** in connection with the Transaction and pursuant to the Amalgamation and Share Exchange Agreement:
>
> …
>
> (b) notwithstanding anything to the contrary in the LTIP the Board wishes to provide that the terms of the Options (as defined in the LTIP) granted to … Jeffrey R. Gossain … shall provide that in the event of termination (without cause) or resignation of any such person, the then unvested Options shall vest as to 100% on the date of termination or resignation and such vested Options shall continue to be exercisable until the earlier of the expiry of their original term and the 18 month anniversary of the date of termination or resignation (the "**Option Terms**")

43. Gossain's Company states that the termination of the Consulting Agreement, purportedly on a "*for cause*" basis, was also an attempt to disentitle Gossain to the Options that he had been granted by the Company. If the Company terminated the Consulting Agreement without cause, the Options would vest immediately, and Gossain would be entitled to exercise the Options by December 6, 2024.

44. On August 15, 2023, months after the Consulting Agreement was terminated, Atlas Global circulated an Options Agreement dated December 30, 2022, and attempted to get Gossain to agree to forfeit the Options in the event of a for Cause termination. Gossain declined.

Bad Faith & Punitive Damages

45. Gossain's Company says that the Allegations which prompted the termination of the Consulting Agreement are entirely untrue, and in any event, should not be borne by Gossain's Company or Gossain personally. If there was any wrongdoing associated with the RTO Transaction – which is not admitted and is expressly denied – any consequences can and should be borne by the entities who contracted with each other to effect same. Neither Gossain, nor Gossain's Company, were parties to the RTO Transaction.

46. The Consulting Agreement, like any other, requires the parties to exercise their respective contractual discretion in good faith. Atlas Global acted in bad faith towards Gossain's Company. Specifically, through its conduct, Atlas Global created a false narrative which purported to allow it to terminate the Consulting Agreement without payment of any sort. To that end:

(a) Atlas Global did not engage in a good faith investigation of the Allegations in advance of terminating the Consulting Agreement on a "for cause" basis, nor ever informed Gossain's Company or Gossain that it was engaging in such an investigation. If the possibility of a finding of misconduct was going to be made against Gossain's Company or Gossain, Atlas Global should have clearly outlined the allegations, and provided Gossain with an opportunity to formally and comprehensively respond. At best, there was only a single, off-the-cuff and casual conversation with Gossain about the Bonsai Loan, without an understanding of the context or the import of the questions being asked. The person who led the conversation on behalf of Atlas Global, Bernie Yeung, misrepresented to the Board, and ultimately in the Termination Letter, that there was a substantive and detailed conversation between him and Gossain about the Allegations;

(b) the Consulting Agreement does not permit Atlas Global to effect a "*for cause*" termination without payment;

(c) the Allegations which the Termination Letter proffers are untrue, and are simply a ploy to try and avoid paying Gossain's Company its entitlements pursuant to the Consulting Agreement and in a further attempt to cancel or forfeit Gossain's entitlements to vested Options; and

(d) the Allegations proffered a false narrative about Gossain personally and were stated by Mr. Yeung within Atlas Global to Board members who had worked with Gossain for years, and outside of the Company to various players in the Canadian cannabis industry. By asserting the Allegations, and spreading them to the Board of Atlas Global, and beyond, Atlas Global engaged in conduct which expressly aimed to harm the reputation of Gossain and Gossain's Company. Those efforts were successful.

47. The above-referenced conduct was malicious, high-handed, callous, egregious and highly unethical. Such conduct constitutes a separate actionable wrong and requires the admonishment of the Court. Given all the circumstances, this Honourable Court should order an award of punitive damages against Atlas Global.

Remedy Sought

48. The plaintiff claims:

(a) declarations that:

(i) the Consulting Agreement was terminated without cause; and

(ii) Atlas Global has not terminated the Consulting Agreement in accordance with the Termination Clause;

(b) $438,955.14 as damages for breach of contract;

(c) $400,000 as aggravated and moral damages for bad faith conduct;

(d) $200,000 as punitive damages;

(e) pre-judgment and post-judgment interest in accordance with the *Judgment Interest Act*, RSA 2000, c J-1;

(f) costs of this action in accordance with the Alberta Rules of Court, Alta Reg 124/2010; and

(g) such further and other relief as this Honourable Court may deem just;

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

- 20 days if you are served in Alberta
- 1 month if you are served outside Alberta but in Canada
- 2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of King's Bench at Edmonton, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

TAB CC

This is Exhibit "CC" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No. CV-24-00001290-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N :

1402171 ALBERTA INC. and JEFFREY GOSSAIN

Applicants

- and -

ATLAS GLOBAL BRANDS INC.

Respondent

APPLICATION UNDER Rules 14.05(3)(d), 14.05(3)(g) and 14.05(3)(h)
of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing

- [ ] In person
- [ ] By telephone conference
- [X] By video conference

AT THE FOLLOWING LOCATION

By VIDEOCONFERENCE, details TBA

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date January 23, 2024

Issued by ______________________
Local registrar

Address of court office

Superior Court of Justice
Chatham Courthouse
425 Grand Ave W
Chatham, Ontario
N7M 6M8

TO: ATLAS GLOBAL BRANDS INC.
566 Riverview Dr
Unit #104
Chatham, Ontario
N7M 0N2

APPLICATION

1. The applicants, 1402171 Alberta Ltd. (“**Gossain’s Company**”) and Jeffrey Gossain (“**Mr. Gossain**”), make application for:

(a) declarations that:

(i) Mr. Gossain is entitled to exercise 1,753,433 options to purchase the common shares of the respondent, Atlas Global Brands Inc. (“**Atlas Global**” or the “**Company**”) on or before December 6, 2024;

(ii) the Option Agreement sent by the Company to Mr. Gossain on August 15, 2023 is of no force or effect;

(b) a determination of rights pursuant to:

(i) the Long Term Incentive Plan of the Company dated July 28, 2022 (the “**LTIP Plan**”); and

(ii) the resolution of the directors of the Company, granting 1,753,433 Options (the “**Options**”) to Mr. Gossain (the “**Resolution**”);

(c) if required, a mandatory order requiring Atlas Global to permit Gossain to exercise the Options within twenty (20) days of the disposition of this application, or any related appeal(s);

(d) costs of this application on a substantial indemnity basis; and

(e) such further and other relief as counsel may request and this Court may permit.

2. The grounds for the application are:

(a) on or about December 30, 2022, 1402171 Alberta Ltd. entered into a consulting services agreement with the Company (the “**Consulting Agreement**”). Under the terms of the Consulting Agreement, the provision of services to the Company were to be delivered by Mr. Gossain exclusively;

(b) the Consulting Agreement was terminated, purportedly for cause, effective immediately on June 6, 2023;

(c) on August 15, 2023, after the termination of the Consulting Agreement, the Company asked Mr. Gossain to sign an Option Agreement dated December 30, 2022. To date, Mr. Gossain has not signed this agreement;

(d) the Board of Atlas Global passed the Resolution, well before the termination of the Consulting Agreement. Page 2 of the Resolution states:

> AND WHEREAS in connection with the Transaction and pursuant to the Amalgamation and Share Exchange:
>
> …
>
> (b) notwithstanding anything to the contrary in the LTIP the Board wishes to provide that the terms of the Options (as defined in the LTIP) granted to Sheldon Croome, Jeffrey R. Gossain, Trevor Henry and Peter Van Mol shall provide that in the event of termination (without cause) or resignation of any such person, the then unvested Options shall vest as to 100% on the date of termination or resignation and such vested Options shall continue to be exercisable until the earlier of the expiry of their original term and the 18 month anniversary of the date of termination or resignation (the "**Option Terms**").

(e) page 8 of the Resolution stated:

> 2. Upon termination (without cause) or resignation, all Awards shall terminate in accordance with Article 9 of the LTIP except Options granted to Croome, Henry, Van Mol and Gossain shall be dealt with as set forth in the applicable Award Agreements.

(f) the parties have never entered into an Award Agreement as referenced in the Resolution;

(g) accordingly, the termination provisions under Article 9 of the LTIP Plan do not apply to the options granted to Mr. Gossain and he is entitled to exercise his options by December 6, 2024;

(h) there is a companion proceeding issued by Gossain's Company in the Court of King's Bench of Alberta, Edmonton bearing court file number 2403 00538 (the "**Alberta Action**") seeking a declaration that the Consulting Agreement was terminated without cause and associated damages. The Consulting Agreement mandates that any disputes are subject to the laws of Alberta and the exclusive jurisdiction of the courts of the Province of Alberta;

(i) given the importance of the factual findings in the Alberta Action, it should precede the herein application. There is the possibility that the Alberta Action will not be concluded before December 6, 2024;

(j) given the above, the requested injunctive relief is appropriate, and it would be just and convenient to do so;

(k) if the Consulting Agreement was terminated without cause, Mr. Gossain ought to be entitled to the declaratory relief sought in the herein application;

(l) a determination of rights pursuant to the LTIP plan is subject to the laws of Ontario and the exclusive jurisdiction of the courts of the Province of Ontario;

(m) 1.04, 2.01, 14.05(3)(d), 14.05(3)(g), 14.05(3)(h), 38, 39 and 40 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194;

(n) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;

(o) the inherent jurisdiction of this Honourable Court; and

(p) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) the affidavit of Jeffrey Gossain, sworn; and

(b) such other and further evidence as counsel may advise and this this Honourable Court may permit.

January 10, 2024

ISRAEL FOULON WONG LLP
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Lawyers for the Applicants,
1402171 Alberta Inc. and Jeffrey Gossain

1402171 ALBERTA INC. et al.
Applicants

and

ATLAS GLOBAL BRANDS INC.
Respondent

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Chatham

NOTICE OF APPLICATION

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kchau@israelfoulon.com

Lawyers for the Applicants,
1402171 Alberta Inc. and Jeffrey Gossain

TAB DD

This is Exhibit "DD" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Electronically issued / Délivré par voie électronique : 28-Feb-2024
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-24-00715603-0000

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

B E T W E E N:

MARAL ALACER, JAN RUSSELL KLESKO and JAN RUSSELL KLESKO IN HIS CAPACITY AS EXECUTOR FOR THE ESTATE OF DARLENE GAIL DREVER

Plaintiffs

- and -

ATLAS GLOBAL BRANDS INC.

Defendant

STATEMENT OF CLAIM

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and $1,000.00 for costs, within the time for serving and filing your statement of defence you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and $400 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date February 28, 2024 Issued by: ______________________

330 University Avenue
Toronto, Ontario M5G 1R7

TO: **ATLAS GLOBAL BRANDS INC.**
1055 Dunsmuir Street, Suite 3000
Vancouver BC V7X 1K8

CLAIM

1. The Plaintiffs, Maral Alacer ("**Alacer**"), Jan Russell Klesko ("**Klesko**") and Jan Russell Klesko in his capacity as executor for the estate (the "**Estate**") of Darlene Gail Drever ("**Drever**") claim against the Defendant for:

(a) payment of the sum of $417,000 representing the outstanding amount owed by the Defendant as of January 31, 2024 pursuant to the terms of several Convertible Debenture Agreements, as amended (collectively, the **"Debenture Agreemen**t Agreements, and individually a "**Debenture Agreement**").

(b) payment of such further monies as may become due and owing pursuant to the terms of the Debenture Agreements;

(c) prejudgment interest from September 30, 2023 and post-judgment interest at the contractual rates for the Debenture Agreements' respective contractual rate of interest of, to the date of payment or judgment, specifically as follows:

(i) 15% per annum, compounded monthly for the amounts owed to Alacer and Klesko under their Debenture Agreements;

(ii) 12% per annum, compounded monthly for the amounts owing to the Estate under Drever's Debenture Agreement;

(d) in the alternative, prejudgment and post-judgment interest pursuant to the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended;

(e) costs of this action on a substantial indemnity scale; and

(f) such further and other relief as this Honourable Court may deem just.

The Parties

2. Alacer is an individual residing in the City of Toronto, in the Province of Ontario. Alacer is a licensed lawyer practising in the province of Ontario.

3. Klesko is an individual residing in the City of Edmonton, in the Province of Alberta. Klesko is a retired chiropractor in the province of Alberta.

4. The Estate is the estate of Darlene Drever. Drever passed away on October 31, 2022. Following her death, Klesko became executor of the Estate and is authorized to commence this action on its behalf.

5. The Plaintiffs are family members. Klesko is Alacer's father-in-law and was Drever's brother-in-law.

6. The Defendant, Atlas Global Brands Inc. ("**Atlas Global**"), is a British Columbia corporation with its registered address in the City of Vancouver . Atlas Global is the parent company of Atlas Biotechnologies Inc. ("**Atlas Biotech**" and collectively with Atlas Global and other affiliated companies, the "**Atlas Group**"). As detailed herein, before or in June 2023, Atlas Global assumed liability for Atlas Biotech's indebtedness under the Debenture Agreements.

7. Atlas Biotech is an Alberta corporation. On June 28, 2023, pursuant to the order of the Court of King's Bench of Alberta, a receiver was appointed over the property assets and undertaking of Atlas Biotech.

8. At all material times, the Atlas Group has carried on business in the cannabis sales industry.

The Initial Debenture Agreements

9. On or about March 2020, Atlas Biotech announced an offer for the issuance of non-brokered private placement unsecured convertible debentures seeking to raise investments of $3,000,000 (the "**Offering**") for the purpose of domestic and international expansion opportunities, equipment purchases, and general working capital to continue business as usual in Canada.

10. In response to the Offering, Alacer and Klesko agreed to invest in Atlas Biotech.

11. In February 2021, Alacer advanced $50,000 and Klesko advanced $100,000 to Atlas Biotech (collectively, including subsequent advances by them and Drever the "**Loans**" and each individually a "**Loan**").

12. The terms of these Loans were formalized in Debenture Agreements executed in March 2021. The terms of the Debenture Agreements were essentially identical.

13. The interest rate under the Debenture Agreements was 12% *per annum*, accruing daily, and compounding monthly. Interest payments were payable under the Debenture Agreements monthly on the last day of every month starting March 2021.

14. Each of the Debenture Agreements had a maturity period of 12 months with the debenture holder (Alacer and Klesko) having the right to renew a Debenture Agreement for an additional twelve months.

The Debenture Agreements Are Extended

15. In or around February 2022, based on financial information provided by the Atlas Group concerning the business, both Alacer and Klesko elected to renew the term of their Loans pursuant to the terms of the Debenture Agreements.

16. In or around February 2022, both Alacer and Klesko agreed to advance additional funds to Atlas Biotech.

17. Alacer agreed to advance an additional $30,000 to Atlas Bitoech, bringing the total principal of her Loan to $80,000. Alacer and Atlas Biotech agreed this additional advance would be governed by the terms of her Debenture Agreement.

18. Klesko agreed to advance an additional $100,000 to Atlas Biotech bringing the total principal of his Loan to $200,000. The parties executed a second Debenture Agreement for this additional advance. The second Debenture Agreement was essentially identical to Klesko's first Debenture Agreement except the maturity period for this advance was only 8 months with no right of renewal.

Alacer and Klesko's Debenture Agreements are Amended and Extended

19. On or about June 21, 2022 Alacer received an email from Sheldon Croome ("**Croome**"), the chief executive office of Atlas Group and Atlas Biotech. In that email, Croome stated as follows:

> "I believe you are aware we are working to complete a liquidity event / merger in the coming weeks. One of the gating items for our merger is the convertible debentures, there are only a few of them and all with close parties like yourself, but the agreements don't have any change of control provisions in place. I would like to offer you two special options

> for your debenture, either to convert it to equity at a preferred price prior to the merger, or to offer you an interest rate increase in exchange for your acceptance of us moving the debt into the public company (which will make it compliant with the stock exchange). The process will be very simple, either providing you an amendment with higher interest or offering you a conversion document."

(the "**Email Offer**")

20. The "public company" referenced in the Email Offer is Atlas Global. It was understood by the Plaintiffs, based on the information provided by Croome in the Email Offer, that in order to facilitate the corporate organization of the Atlas companies, they required or desired that the debt under the Loans to become the liability and responsibility of Atlas Global.

21. The Email Offer was an offer from Atlas Group and Atlas Biotech to Alacer and debenture holders, including all of the plaintiffs, whereby in return for the plaintiffs assisting Atlas Group and Altus Biotech with an anticipated liquidity event / merger, Atlas Group would assume the debt to the plaintiffs of Atlas Biotech as a co-debtor under the Loans and Debenture Agreements and provide an increased interest rate on the Loans.

22. The plaintiffs accepted the offer of Atlas Group and Atlas Biotech.

23. On or about July 1, 2022 Alacer entered into an amendment agreement amending her Debenture Agreement (the "**Alacer Debenture Amendment**"), which amendment included the following changes to the terms of Alacer's Debenture Agreement:

(a) The Loan which had been scheduled to mature on March 31, 2023 would now have a new maturity date of July 1, 2023; and

(b) The interest rate under the Debenture Agreement would be increased to 15% per annum;

24. In addition, to give effect to the assumption of liability for the Alacer Loan by Atlas Global, and in combination with the terms of the Email Offer, section 1(e) of a Alacer Debenture Amendment added a new Section 8.6 to Alacer's Debenture Agreement to reflect to agreement of Atlas Global to take liability for the Loans (the "**Successor and Assigns Provision**"). This new section states as follows:

> **Successors and Assigns**: This Agreement continues to benefit the Lender and be binding upon the Corporation and their Successors and Assigns, affiliates, controlling persons, officers, and directors. Neither party may assign its rights or obligations under this Agreement, except to Successors and Assigns, without the prior written consent of the other party.

25. Klesko was also contacted by Atlas Biotech and asked whether he would also agree amend his own Debenture Agreement on the terms set out in the Email Offer. He was also told that this amendment was necessary to facilitate a merger event.

26. On or about July 1, 2022, Klesko also agreed to an amendment agreement for his two Debenture Agreements (the "**Klesko Amendment Agreement**"). The Klesko Amendment Agreement included similar amendments to the Alacer's Amendment Agreement including extending the term of both Debenture Agreements to July 2023, increasing the interest rate to 15% and adding in an identical Successor and Assigns Provision.

Drever Enters into a Debenture Agreement

27. On or around February 28, 2022, by way of her own Debenture Agreement, Drever agreed to advance a Loan to Atlas Biotech in the principal amount of $100,000. The terms of this Debenture Agreement were substantially similar to those of Alacer and Klesko. Drever's agreement also had a 12% interest rate and a one year maturity period.

28. On or about July 1, 2022 and September 7, 2022, Drever's Debenture Agreement was amended to incorporate the terms of the Email Offer by incorporating the same Successor and Assigns Provision as in in Alacer and Kleso's amended Debenture Agreements.

29. As a result of the actions above, Atlas Global became a debtor of the Plaintiffs under the Loans and Debenture Agreements and is liable to the Plaintiffs for any default thereunder.

Default

30. In May 2023, Atlas Biotech defaulted under all of the Plaintiff's Debenture Agreements by failing to make the required interest payments.

31. In July 2023, all of the Debenture Agreements had matured but were not repaid.

Atlas Global Announces the Liquidation of Atlas Biotech

32. On June 2, 2023, the Atlas Group announced a restructuring of its companies including, *inter alia,* a window of Atlas Biotech's operations and the beginning of a liquidation process for the company.

33. On June 26, 2023, the Court of King's Bench in Alberta appointed a receiver over Atlas Biotech. The receivership itself constitutes an event of default under the Debenture Agreements.

34. Notwithstanding these actions, the Plaintiff asserts that Atlas Global is liable for the debt owed to them by virtue of Section 8.6 of the Debenture Agreements as amended.

35. In addition, the Plaintiffs allege that in or before June 2023, prior to the receivership order, Atlas Biotech transferred many of its material business assets to Atlas Global. In so doing, Atlas

Global accepted an assignment of Atlas Biotech's debts including the indebtedness under the Debenture Agreements.

Demand for Payment

36. On October 6, 2023, the Plaintiffs made demand on Atlas Global demanding repayment of the amounts owing under Debenture Agreements including principal and interest. Despite demand, no payment has been made under the Debenture Agreements since May 2023.

37. As at January 31, 2024, Atlas Global's indebtedness to the Plaintiffs was $417,000.

Service under Rule 17.02

38. The Plaintiff, if necessary, relies on Rule 17.02 (a), (c), (f) (g), and (o) of the *Rules of Civil Procedure* for service of this Statement of Claim outside of Ontario on the Defendant.

THE PLAINTIFFS PROPOSE THAT THIS ACTION BE TRIED IN THE CITY OF TORONTO

Date of Issue: February 28, 2024

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

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Tel: 416-218-1146
Email: chris@chaitons.com

Darren Marr
LSO No. 76660G
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Email: dmarr@chaitons.com

Lawyers for the Plaintiffs

MARAL ALACER et al
Plaintiffs

-and-

ATLAS GLOBAL BRANDS INC
Defendant

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT TORONTO

STATEMENT OF CLAIM

CHAITONS LLP
5000 Yonge Street, 10th Floor
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Darren Marr
LSO No. 76660G
Tel: 416-218-1136
Email: dmarr@chaitons.com

Lawyers for the Plaintiffs

TAB EE

This is Exhibit "EE" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Form 10
Rule 3.25

Clerk's Stamp

JUDICIAL CENTRE OF EDMONTON
FILED DIGITALLY
2403 07775
Apr 22, 2024
9:14 AM
CLERK OF THE COURT

COURT FILE NO.	
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	EDMONTON
PLAINTIFF	ATLAS GROWERS LTD., by its Court Appointed Receiver and Manager ERNST & YOUNG INC.
DEFENDANT	GREENSEAL CANNABIS COMPANY, LTD.
DOCUMENT	**STATEMENT OF CLAIM**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RYAN F.T. QUINLAN Barrister & Solicitor Phone: 780.441.4336 Fax: 780.428.9683 Email: rquinlan@dcllp.com	File #445-214932 **DUNCAN CRAIG LLP** LAWYERS MEDIATORS 2800 Rice Howard Place 10060 Jasper Avenue Edmonton, Alberta Canada T5J 3V9

NOTICE TO DEFENDANT

You are being sued. You are a Defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

1. Atlas Growers Ltd. ("Growers") is a corporation incorporated pursuant to the laws of Alberta, with its registered office located in Edmonton, Alberta.

2. On June 26, 2023, Ernst & Young Inc. was appointed as Receiver and Manager of Atlas Biotechnologies Inc. and Atlas Growers Ltd. (the "Receiver") in Court of King's Bench Action number 2303 10341 (the "Receivership Order"). The effect of the Receivership Order was stayed until July 4, 2023.

3. By the Receivership Order, the Receiver is authorized to bring this Action in the name of Growers and not in its personal capacity.

4. GreenSeal Cannabis Company, Ltd. ("GreenSeal") is a corporation incorporated pursuant to the federal laws of Canada, with its registered office located in Stratford, Ontario.

5. By way of a Purchase Order dated June 20, 2023 and numbered 1094 (the "Purchase Order"), GreenSeal ordered and purchased from Growers certain cannabis products (the "Product").

6. Prior to the Receivership Order, Growers delivered the Product to GreenSeal. GreenSeal has acknowledged receipt of the Product.

7. On July 4, 2023, Growers issued invoice number INV001880 to GreenSeal in the amount of $351,712.50 (the “Purchase Amount”) in respect of GreenSeal’s purchase of the Product (the “Invoice”).

8. GreenSeal agreed to pay the Purchase Amount upon the issuance of the Invoice. However, GreenSeal failed to pay the Purchase Amount upon receipt of the Invoice.

9. The Receiver did demand payment of the Purchase Amount from GreenSeal pursuant to the Purchase Order and Invoice, but GreenSeal failed or neglected, and continues to fail or neglect, to pay such Purchase Amount to Growers or the Receiver.

10. As a result of the above, GreenSeal is in breach of the Purchase Order, Invoice and agreement with Growers in respect of its purchase of the Product.

11. GreenSeal is indebted to Growers in the amount of $351,712.50, plus interest from and after July 4, 2023 and legal costs (the “Indebtedness").

12. The Indebtedness is fully due, owing and payable to the Receiver on behalf of Growers.

13. The Indebtedness is a just debt wrongly withheld by GreanSeal.

14. Further, or in the alternative, GreenSeal has been unjustly enriched in the amount of the Indebtedness to which Growers has suffered (and continues to suffer) a corresponding deprivation without there being any juristic reason for the unjust enrichment.

15. A real and substantial connection exists between Alberta and the facts in the action, including without limitation:

    (a) Growers is an Alberta based company, with its main office in Edmonton;

    (b) the claim relates to Product grow in and shipped from Alberta; and

    (c) the agreement between Growers and GreenSeal is an agreement made, performed and/or breached in Alberta.

16. The Receiver states that this action should be categorized as a Standard Case.

Remedy sought:

17. Judgment against GreenSeal in the following amounts:

    (a) $351,712.50;

    (b) Pre-Judgment interest in accordance with the *Judgment Interest Act*; and

    (c) costs.

18. Such further and other damages or losses as may be proven at trial.

19. An Order waiving the responsibilities of the parties to participate in a Dispute Resolution Process.

20. A declaration of the amounts due and owing to GreenSeal to the Receiver on behalf of Growers.

21. Such further account and inquiries as may be necessary.

22. Costs on a solicitor and own client full indemnity basis, or on such further and other basis as this Honourable Court may direct.

23. Such further and other relief as the nature of the case may require and this Honourable Court may deem just.

NOTICE TO THE DEFENDANT

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a Statement of Defence or a Demand for Notice in the office of the clerk of the Court of King's Bench at **Edmonton**, Alberta, AND serving your Statement of Defence or a Demand for Notice on the Plaintiffs' address for service.

WARNING

If you do not file and serve a Statement of Defence or a Demand for Notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the Plaintiff against you.

TAB FF

This is Exhibit "FF" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

Lawyer: Joseph Fried
Direct Dial: 416.941.8836
E-mail: jfried@foglers.com

Legal Assistant: Medina Young
Direct Dial: 416.864.9700 x204
E-mail: myoung@foglers.com

June 11, 2024

Our File No. 243580

VIA MAIL AND EMAIL TO PVANMOL@AGMEDICA.CA AND JASON@ATLASGLOBALBRANDS.COM

2472602 Ontario Inc.
111 Heritage Road, Ste. 200
Chatham, ON N7M 5W7

Dear Sirs:

Re: Hillmount Capital Mortgage Holdings Inc. mortgage loan to 2472602 Ontario Inc. AgMedica Bioscience Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavivat Naturals Inc., World Wide Beverage Innovations Inc., Unique Beverages (USA) Inc. and Esela Inc. (collectively the "Borrower") on 566 Riverview Drive, Chatham, Ontario

Please be advised that we are solicitors for the above-noted mortgagees.

Our client has advised that you are in arrears under the above-noted mortgage and our client has instructed us to collect payment arrears, payment of taxes and legal costs with respect to your mortgage. The amount required to bring your mortgage into good standing as of today's date is as follows:

PAYMENTS IN ARREARS under mortgage (Interest from May 1-31, 2024)	$30,968.76
PAYMENTS IN ARREARS under mortgage (Interest from June 1 to 12, 2024)	$10,988.89
MISSED PAYMENT FEE (June 4, 2024)	$500.00
LENDER LEGAL FEES RE PPSA RENEWAL	$290.00
WIRE FEE (Loan increase)	$90.00
LENDER LEGAL FEES RE TAX CERTIFICATE (2023)	$143.90
MORTGAGE STATEMENT FEE	$275.00
DISBURSEMENT AND HST	$60.08

fogler rubinoff

LEGAL FEES	$950.00
FOR HST ON LEGAL FEES	$123.50
TOTAL:	**$44,390.13**

Per Diem: $998.99

TAKE NOTICE that unless we are in receipt of your CERTIFIED CHEQUE payable to **Hillmount Capital Inc.** in the amount of **$44,390.13** on or before **June 18, 2024**, we have been instructed to commence such proceedings against you as our client deems necessary without any further notice to you.

Please also find attached Tax Certificates dated June 5, 2024 showing arrears owing in the amount of $355,100.40 for both 510 and 566 Riverview Drive, Chatham. Please provide evidence of payment to pay all tax arrears owing on or before June 18, 2024.

PARTIAL PAYMENTS WILL NOT BE ACCEPTED.

Yours truly,

FOGLER, RUBINOFF LLP

Per: Joseph Fried**

Joseph Fried*

**On behalf of* Joseph Fried Professional Corporation
*** Executed pursuant to the Electronic Commerce Act*

JF/my

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No. I12853
Date of Certificate June 5, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Issued To
Deanna Wehby
dwehby@foglers.com

Roll Number 3650 420 023 11502 0000
Owners 5047346 ONTARIO INC

Civic Address 510 RIVERVIEW DR CHATHAM
Legal Description RALEIGH CON 1 PT LOT 19 RP 24R9361 PARTS 1 TO 5

Reference Interest **1.250 %**

Taxes Levied and Owing by Year as of the Date of This Certificate

Tax Year	Taxes Levied	Taxes Owing	Penalty/Interest	Total Owing
Current Levy	3,099.63	3,099.63	116.26	3,255.89
2023	6,199.29	6,299.29	829.26	7,128.55
2022	5,957.22	186.17	27.96	214.13
Prior Owing		0.00	0.00	0.00
			Total Current & Outstanding	**10,598.57**

Local Improvements Assessed to This Property

Code	Description	Annual Amount	Expiry

Billed in Current Year - Included Above

Current Levy		Installment Due Dates and Amounts				Current Outstanding	
Interim	3,099.63	2024/03/01	1,550.63	2024/05/01	1,549.00	Tax	3,099.63
Final	0.00					Other Charges	40.00
Supp/Adj	0.00					Penalty	116.26
Total	**3,099.63**					**Total Current**	**3,255.89**

Please note that other fees may apply as follows. Past Due Notice: $10.00, Ownership Change $35.00

Additional Information

I hereby certify that the above statement shows all arrears of taxes against the above lands as of the date of this certificate.

For Treasurer and Tax Collector

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No.	I12853
Date of Certificate	June 4, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Tax Clearance Certificate - Disclaimer

This statement is issued pursuant to Section 352 of the Municipal Act and is intended to show only the taxes levied for the current year and any unpaid taxes. After the date of this Certificate, the information shown may be affected by:

- This tax certificate reflects only those charges added to the Tax Roll up to the certificate date and the Municipality will not be responsible for any damage, how so ever caused.
- The information on this certificate is based on cheques tendered being honored by the bank upon which they are drawn.
- Any credit balance appearing on this certificate is not verified. No adjustment will be made unless the credit balance is acknowledged as an overpayment.
- This certificate does not include proposed Local Improvements for which construction has not been commenced or those which have been constructed but not levied.
- This certificate will not include arrears charges for water and sewage utilities added to the tax roll subsequent to this notice. Water and Sewer Arrears Certificates for possible charges not shown may be obtained by contacting Entegrus at 519-352-6300.
- This certificate may not include any direct services to the property not added to the tax roll at the date of certification for services such as work orders involving weed cutting, property standards charges, and snow or ice removal charges etc.
- The total taxes may include additions to the Tax Roll as authorized by Provincial Legislation.
- This certificate is subject to additional taxes, which may be levied pursuant to the provisions of Section 33 and 34 of the Assessment Act R.S.O. 1990 c.A.31.
- This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 354, 357, 358, 361, 362, 363, 364, and 365 of the Municipal Act 2001.
- Any parcel showing two years in arrears may be in the Tax Sale Registration process, therefore payment may be required in full by certified cheque. Please contact Collections for further details and pending charges.
- This certificate may not represent all taxes levied against an individual P.I.N., as there may be multiple roll numbers assigned to an individual Property Identification Number registered on title at the Land Registry Office.
- Pursuant to Section 347 (1) of the Municipal Act, any payment received shall be applied against late payment charges, with the charges imposed earlier being discharged before charges imposed later. The payment then shall be applied against the taxes imposed with the earlier being discharged first.
- This certificate is subject to apportionments which may be made pursuant to Section 356 of the Municipal Act, 2001.
- If you have reason to believe that the tax certificate is not correct, please contact the tax office at 519-360-1998.

Chatham-Kent

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No. I12852
Date of Certificate June 5, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Issued To
Deanna Wehby
dwehby@foglers.com

Roll Number 3650 420 023 11500 0000
Owners 5047346 ONTARIO INC

Civic Address 566 RIVERVIEW DR CHATHAM
Legal Description RALEIGH CON 1 PT LOT 19 RP 24R7621 PART 5 PT PART 1

Reference Interest **1.250 %**

Taxes Levied and Owing by Year as of the Date of This Certificate

Tax Year	Taxes Levied	Taxes Owing	Penalty/Interest	Total Owing
Current Levy	109,669.15	109,669.15	4,112.60	114,096.75
2023	219,338.25	219,438.16	10,966.92	230,405.08
2022	209,527.08	0.00	0.00	0.00
Prior Owing		0.00	0.00	0.00
			Total Current & Outstanding	**344,501.83**

Local Improvements Assessed to This Property

Code	Description	Annual Amount	Expiry

Billed in Current Year - Included Above

Current Levy		Installment Due Dates and Amounts				Current Outstanding	
Interim	109,669.15	2024/03/01	54,835.15	2024/05/01	54,834.00	Tax	109,669.15
Final	0.00					Other Charges	315.00
Supp/Adj	0.00					Penalty	4,112.60
Total	**109,669.15**					**Total Current**	**114,096.75**

Please note that other fees may apply as follows. Past Due Notice: $10.00, Ownership Change $35.00

Additional Information

I hereby certify that the above statement shows all arrears of taxes against the above lands as of the date of this certificate.

For Treasurer and Tax Collector

Chatham-Kent

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No.	I12852
Date of Certificate	June 4, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Tax Clearance Certificate - Disclaimer

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- This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 354, 357, 358, 361, 362, 363, 364, and 365 of the Municipal Act 2001.
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TAB GG

This is Exhibit "GG" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Fogler, Rubinoff LLP
Lawyers
77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

Law Clerk: Medina Young
Direct Dial: 416-864-9700 ext. 204
E-mail: myoung@foglers.com

Lawyer: Joseph Fried
Direct Dial: 416.941.8836
E-mail: jfried@foglers.com

Our File No. 243580

June 18, 2024

DELIVERED BY REGULAR LETTER MAIL
AND BY EMAIL TO PVANMOL@AGMEDICA.CA AND
JASON@ATLASGLOBALBRANDS.COM

5047346 Ontario Inc.
566 Riverview Drive
Unit 104
Chatham, Ontario
N7M 0N2

Dear Sir/Madam:

Re: Hillmount Capital Mortgage Holdings Inc. (the "**Hillmount**") loan to 2472602 Ontario Inc. (now 5047346 Ontario Inc.), AgMedica Bioscience Inc., 2642466 Ontario Inc. (now 5047346 Ontario Inc.), 8895309 Canada Inc. (now Tavivat Natures Inc.), Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc. (now Tavivat Natures Inc.), Tavivat Naturals Inc., World Wide Beverage Innovations Inc. (now Tavivat Natures Inc.), Unique Beverages (USA) Inc. and Esela Inc. (now 5047346 Ontario Inc.) (collectively the "**Borrower**") on 566 Riverview Drive, Chatham, Ontario evidenced by a Promissory Note and secured, *inter alia*, by a first Mortgage registered as Instrument No. CK178671 (the "**Mortgage")**

Please be advised that we are solicitors for the above-noted mortgagee. **When contacting our office regarding this matter, please reference the property address.**

The Borrower is indebted to Hillmount evidenced by a Promissory Note dated October 5, 2020 and secured by the Mortgage provided by Hillmount to the Borrower as hereinafter indicated:

PAID TO FOGLER RUBINOFF, LLP (on account of discharge funds due HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.)	**$3,387,199.54** as of June 18, 2024 (**per diem $1,027.87 after 1:00 p.m.** at our client's office).

PAID TO FOGLER RUBINOFF, LLP	**$5,522.76**
TOTAL as of June 18, 2024	**$3,392,722.30**

Legal fees for issuing demand letter (June 11, 2024)	$750.00
Legal fees for issuing demand letter (June 18, 2024)	$750.00
Legal fees for issuing the Notice of Intention to Enforce Security	$1,200.00
Legal fees for time	$1,960.60
HST on legal fees	$605.88
Disbursements and HST	$256.28
TOTAL PAYABLE TO FOGLER, RUBINOFF LLP	**$5,522.76**

As you are in default of your obligations to and/or your covenants with Hillmount, as solicitors of Hillmount, we hereby demand repayment in full of the foregoing indebtedness totaling **$3,392,722.30** with respect to the said facilities, plus all legal fees and disbursements incurred by Hillmount due to the said default, up to and including the date of payment. Please be advised if we are not in receipt of payment in full of the foregoing amount, including interest accrued up to and including the date of receipt of payment plus the tax arrears noted below, on or before the close of business June 29, 2024 (the "**Demand Date**") we have instructions from Hillmount to commence whatever legal proceeding it deems necessary in order to recover the full amount of the indebtedness due and owing by the Borrower to Hillmount and to enforce all security held by Hillmount for the obligations of the Borrower to Hillmount as contemplated in the enclosed Notice of Intention to Enforce Security.

In addition to the above there are tax arrears of **$355,100.40** as of June 5, 2024 with penalty and interest accruing thereof.

Please be advised the time frame indicated in this demand is without prejudice to Hillmount terminating its relationship with the Borrower if at any time between the date hereof and the Demand Date the Borrower commits an event of default pursuant to any agreement entered into by the Borrower with Hillmount.

If the foregoing amounts fluctuate for any reason whatsoever between the date hereof and the date of payment of the indebtedness of the Borrower to Hillmount, please consider this demand effective with respect to whatever the balance of principal plus accrued and unpaid interest may be at any time between the date hereof and the Demand Date and if not paid on or before the Demand Date, be considered a demand for the balance due and owing as of the Demand Date.

Please find enclosed a Notice of Intention to Enforce Security being served upon you pursuant to the provisions of the *Bankruptcy and Insolvency Act.*

Yours very truly,

FOGLER, RUBINOFF LLP

Per: Joseph Fried**

Joseph Fried*

**On behalf of* Joseph Fried Professional Corporation

*** Executed pursuant to the Electronic Commerce Act*

E.O. & E.

cc: Hillmount Capital Inc.

HILLMOUNT CAPITAL

5047346 Ontario Inc.
Mortgage Discharge Statement as at June 18, 2024
566 Riverview Drive, Chatham, ON

Please be advised that the balance outstanding under the above mentioned mortgage loan is as follows:

		Total
Principal Balance as at June 18, 2024	**$**	**3,245,634.02**
Interest - May 1 - 31, 2024	**$**	**30,968.76**
Interest - June 1 - 18, 2024	**$**	**18,501.58**
3 Months' Interest	**$**	**92,906.27**
Wire Fee	**$**	**90.00**
NSF Fees (June 4, 2024)	**$**	**550.00**
Lender Legal Fees re: PPSA Renewal	**$**	**290.00**
Wire Fee re: Loan Increase	**$**	**90.00**
Lender Legal Fees re: Tax Certificates (2023)	**$**	**143.90**
Mortgage Default Fee	**$**	**2,000.00**
Tax Default Fee	**$**	**250.00**
Mortgage Statement Fee (June 11, 2024)	**$**	**275.00**
Discharge Statement and Administration Fee	**$**	**500.00**
Funds in Trust	**$**	**(5,000.00)**
Total Owing - payable in certified funds **	**$**	**3,387,199.54**

You are hereby authorized and directed to make cheques payable as follows:

1. Hillmount Capital Inc.		$	3,387,199.54
2. Lawyer - discharge fees as per attached account			
	TOTAL	**$**	**3,387,199.54**

Per diem interest - Hillmount Capital Inc. $ 1,027.87

**** Certified funds required**

This Discharge Statement is valid until June 18, 2024.

Daily interest is due to and including day of receipt of funds by this office.
If funds are not received before 12:00 noon they MUST include per diem to the next business day.
FRIDAY DEADLINE: If not received before 12:00 noon MUST include per diem to the next business day.

DATED: June 17, 2024

E. & O..E.

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No. I12853
Date of Certificate June 5, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Issued To
Deanna Wehby
dwehby@foglers.com

Roll Number 3650 420 023 11502 0000
Owners 5047346 ONTARIO INC

Civic Address 510 RIVERVIEW DR CHATHAM
Legal Description RALEIGH CON 1 PT LOT 19 RP 24R9361 PARTS 1 TO 5

Reference Interest **1.250 %**

Taxes Levied and Owing by Year as of the Date of This Certificate

Tax Year	Taxes Levied	Taxes Owing	Penalty/Interest	Total Owing
Current Levy	3,099.63	3,099.63	116.26	3,255.89
2023	6,199.29	6,299.29	829.26	7,128.55
2022	5,957.22	186.17	27.96	214.13
Prior Owing		0.00	0.00	0.00
			Total Current & Outstanding	**10,598.57**

Local Improvements Assessed to This Property

Code	Description	Annual Amount	Expiry

Billed in Current Year - Included Above

Current Levy		Installment Due Dates and Amounts				Current Outstanding	
Interim	3,099.63	2024/03/01	1,550.63	2024/05/01	1,549.00	Tax	3,099.63
Final	0.00					Other Charges	40.00
Supp/Adj	0.00					Penalty	116.26
Total	**3,099.63**					**Total Current**	**3,255.89**

Please note that other fees may apply as follows. Past Due Notice: $10.00, Ownership Change $35.00

Additional Information

I hereby certify that the above statement shows all arrears of taxes against the above lands as of the date of this certificate.

For Treasurer and Tax Collector

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No.	I12853
Date of Certificate	June 4, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Tax Clearance Certificate - Disclaimer

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- This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 354, 357, 358, 361, 362, 363, 364, and 365 of the Municipal Act 2001.
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- If you have reason to believe that the tax certificate is not correct, please contact the tax office at 519-360-1998.

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No. I12852
Date of Certificate June 5, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Issued To
Deanna Wehby
dwehby@foglers.com

Roll Number 3650 420 023 11500 0000
Owners 5047346 ONTARIO INC

Civic Address 566 RIVERVIEW DR CHATHAM
Legal Description RALEIGH CON 1 PT LOT 19 RP 24R7621 PART 5 PT PART 1

Reference Interest **1.250 %**

Taxes Levied and Owing by Year as of the Date of This Certificate

Tax Year	Taxes Levied	Taxes Owing	Penalty/Interest	Total Owing
Current Levy	109,669.15	109,669.15	4,112.60	114,096.75
2023	219,338.25	219,438.16	10,966.92	230,405.08
2022	209,527.08	0.00	0.00	0.00
Prior Owing		0.00	0.00	0.00
			Total Current & Outstanding	**344,501.83**

Local Improvements Assessed to This Property

Code	Description	Annual Amount	Expiry

Billed in Current Year - Included Above

Current Levy		Installment Due Dates and Amounts				Current Outstanding	
Interim	109,669.15	2024/03/01	54,835.15	2024/05/01	54,834.00	Tax	109,669.15
Final	0.00					Other Charges	315.00
Supp/Adj	0.00					Penalty	4,112.60
Total	**109,669.15**					**Total Current**	**114,096.75**

Please note that other fees may apply as follows. Past Due Notice: $10.00, Ownership Change $35.00

Additional Information

I hereby certify that the above statement shows all arrears of taxes against the above lands as of the date of this certificate.

For Treasurer and Tax Collector

The Municipality of Chatham Kent
REVENUE AND TAXATION DEPARTMENT

Certificate No.	I12852
Date of Certificate	June 4, 2024

Tax Certificate
315 King St. W
P.O. Box 640
Chatham ON N7M 5K8
Phone: 519-360-1998
Wheatly Area Toll Free: 519-682-0803

Tax Clearance Certificate - Disclaimer

This statement is issued pursuant to Section 352 of the Municipal Act and is intended to show only the taxes levied for the current year and any unpaid taxes. After the date of this Certificate, the information shown may be affected by:

- This tax certificate reflects only those charges added to the Tax Roll up to the certificate date and the Municipality will not be responsible for any damage, how so ever caused.
- The information on this certificate is based on cheques tendered being honored by the bank upon which they are drawn.
- Any credit balance appearing on this certificate is not verified. No adjustment will be made unless the credit balance is acknowledged as an overpayment.
- This certificate does not include proposed Local Improvements for which construction has not been commenced or those which have been constructed but not levied.
- This certificate will not include arrears charges for water and sewage utilities added to the tax roll subsequent to this notice. Water and Sewer Arrears Certificates for possible charges not shown may be obtained by contacting Entegrus at 519-352-6300.
- This certificate may not include any direct services to the property not added to the tax roll at the date of certification for services such as work orders involving weed cutting, property standards charges, and snow or ice removal charges etc.
- The total taxes may include additions to the Tax Roll as authorized by Provincial Legislation.
- This certificate is subject to additional taxes, which may be levied pursuant to the provisions of Section 33 and 34 of the Assessment Act R.S.O. 1990 c.A.31.
- This certificate is subject to adjustments of taxes pursuant to the provision of Section 40 of the Assessment Act R.S.O. 1990 and Sections 354, 357, 358, 361, 362, 363, 364, and 365 of the Municipal Act 2001.
- Any parcel showing two years in arrears may be in the Tax Sale Registration process, therefore payment may be required in full by certified cheque. Please contact Collections for further details and pending charges.
- This certificate may not represent all taxes levied against an individual P.I.N., as there may be multiple roll numbers assigned to an individual Property Identification Number registered on title at the Land Registry Office.
- Pursuant to Section 347 (1) of the Municipal Act, any payment received shall be applied against late payment charges, with the charges imposed earlier being discharged before charges imposed later. The payment then shall be applied against the taxes imposed with the earlier being discharged first.
- This certificate is subject to apportionments which may be made pursuant to Section 356 of the Municipal Act, 2001.
- If you have reason to believe that the tax certificate is not correct, please contact the tax office at 519-360-1998.

TAB HH

This is Exhibit "HH" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

FORM 115

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) Bankruptcy and Insolvency Act)

TO: 5047346 Ontario Inc., an insolvent corporation
566 Riverview Drive
Unit 104
Chatham, Ontario N7M 0N2

TAKE NOTICE THAT:

1. Hillmount Capital Mortgage Holdings Inc., a secured creditor, intends to enforce its security on the property of the insolvent person described below:

   PIN No. 00528-0224 (LT)
   FIRSTLY: PART LOT 19 CONCESSION 1 RALEIGH PARTS 1, 2, 3, 4 & 5 24R9361; SECONDLY: PART LOT 19 CONCESSION 1 RALEIGH PARTS 1, 4 & 5 24R7621 EXCEPT PARTS 1, 2, 3, 4 & 5 24R9361; SUBJECT TO AN EASEMENT OVER PT 4 24R9361 IN FAVOUR OF PT LT 20 CON 1 RALEIGH PT 1 24R1643 AS IN 340724; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PT 1 24R1855 AS IN 164642; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 4 & 5 24R9361 AS IN 576414; SUBJECT TO AN EASEMENT OVER PART 3 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT AS IN 164642; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PT 3 24R9361 AS IN CK68020; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT OVER PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; MUNICIPALITY CHATHAM-KENT
   City of Chatham
   Regional Municipality of Ken
   Ken County Land Registry Office (No. 24)

   municipally known as 566 Riverview Drive, Chatham

2. The security that is to be enforced is in the form of:

   (a) a Charge/Mortgage of Land signed October 8, 2020 and registered in the Kent Lant Titles Office for the Kent Land Registry Office (No. 24) on October 8, 2020 as Instrument No.CK178671;

   (b) a General Assignment of Rents registered in the said Land Titles Office on October 8, 2020 as Instrument No. CK178672;

   (c) a General Security Agreement, made as of October 5, 2020;

3. The total amount of the indebtedness secured by the security is **$3,392,722.30** as at the 18th day of June, 2024, inclusive of $1,200.00 costs plus HST thereon for issuing this Notice, with a per diem payment thereafter of $1,027.87 on the outstanding loan.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

DATED at the City of Toronto, this 18th day of June, 2024.

HILLMOUNT CAPITAL MORTGAGE HOLDINGS INC.
by its solicitors
FOGLER, RUBINOFF LLP

Per:______________________________
Joseph Fried*
Ste 3000, P.O. Box 95
77 King Street West
TD Centre North Tower
Toronto, Ontario M5K1G8
T: 416-864-9700
F: 416-941-8852

*on behalf of ON BEHALF OF JOSEPH FRIED PROFESSIONAL CORPORATION

Please direct any enquiries to: **Medina Young at 416-864-9700 ext. 204 cell 905-758-0530 (myoung@foglers.com)**

This Notice is a required document under the Bankruptcy & Insolvency Act ("Act"). The use of the word "insolvent" is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact insolvent.

TAB II

This is Exhibit "II" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Canada Revenue Agency / Agence du revenu du Canada

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 2 0 2024
Contact name	J. Zannis (1247)
Telephone number	(514) 226-9196
Toll free number	1 833-736-1510
Account number	834513798RD0001

Requirement to pay

This is a copy of a requirement to pay we sent to:
Ontario Cannabis Store

You can still make a payment on your debt. For payment options, go to **canada.ca/payments**.

If you already paid your debt in full, please call the contact person to provide the details of your payment.

The following taxpayer(s) owe(s) **$2,114,198.72** for the account 834513798RD0001.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

This requirement to pay from the Minister of National Revenue requires you to send us any money you would otherwise pay to the taxpayer; but do not send more than $2,114,198.72, at the rate of 50% of each period payment, loan, or advance. For requirements to pay, money includes amounts from any assets of the taxpayer that can be converted into cash.

You are required to pay under subsections 317(1), (2), and/or (6) of the Excise Tax Act, subsections 289(1), (2), and/or (4) of the Excise Act, 2001, subsections 75(1), (2), and/or (5) of the Air Travellers Security Charge Act, subsections 89(1), (2), and/or (4) of the Softwood Lumber Products Export Charge Act, 2006, subsections 153(1), (2) and/or (4) of the Greenhouse Gas Pollution Pricing Act, or subsection 142(1), (2) and/or (4) of the Select Luxury Items Tax Act.

Money you owe or are paying to the taxpayer

You may owe money to the taxpayer now or you may have to pay the taxpayer later. Either way, you must send this money instead of paying the taxpayer.

1. If you owe money to the taxpayer now, you must send us this amount right away.
2. If you owe money to the taxpayer within the next year, you must send this amount to us as soon as this money becomes due.
3. If you owe money to the taxpayer within or after one year, such as interest, rent, salary or wages, dividends, annuities, or any other periodic payments, you must send this money to us as soon as it becomes due.

Please make your payment payable to the Receiver General.

Notice details

Date	FEB 2 0 2024

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Your legal obligation

You are required to send this money to us even if you were planning to or have been directed to send money that would otherwise be payable to the taxpayer, to a creditor of the taxpayer, the taxpayer's representative, or to any other person.

Your liability

If you do not pay the money that is required according to the terms of this requirement, you will become liable for the payment of this money.

Keep records

Keep a copy of this requirement to pay for at least **one year**. Also keep a detailed record of all payments you send us for at least six years from the date of this requirement.

For more information regarding requirements to pay, go to **canada.ca/cra-requirement-to-pay**.

Team Leader, Revenue Collections

(TAXPAYER)

Canada Revenue Agency | Agence du revenu du Canada

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 20 2024
Contact name	J. Zannis (1247)
Telephone number	(514) 226-9196
Toll free number	1 833-736-1510
Account number	834513798RD0001

Requirement to pay

This is a copy of a requirement to pay we sent to:
Alberta Gaming Liquor & Cannabis

You can still make a payment on your debt. For payment options, go to **canada.ca/payments**.

If you already paid your debt in full, please call the contact person to provide the details of your payment.

The following taxpayer(s) owe(s) **$2,114,198.72** for the account 834513798RD0001.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

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Please make your payment payable to the Receiver General.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 2 0 2024

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Team Leader, Revenue Collections

(TAXPAYER)

Canada Revenue Agency | Agence du revenu du Canada

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 20 2024
Contact name	J. Zannis (1247)
Telephone number	(514) 226-9196
Toll free number	1 833-736-1510
Account number	834513798RD0001

Requirement to pay

This is a copy of a requirement to pay we sent to:
Liquor Distribution Branch | LDB
Accounts payable

You can still make a payment on your debt. For payment options, go to **canada.ca/payments**.

If you already paid your debt in full, please call the contact person to provide the details of your payment.

The following taxpayer(s) owe(s) **$2,114,198.72** for the account 834513798RD0001.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

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Please make your payment payable to the Receiver General.

Notice details

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Date	FEB 2 0 2024

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Team Leader, Revenue Collections

(TAXPAYER)

Canada Revenue Agency | Agence du revenu du Canada

FEB 2 0 2024

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 2 0 2024
Contact name	J. Zannis (1247)
Telephone number	(514) 226-9196
Toll free number	1 833-736-1510
Account number	834513798RD0001

Requirement to pay

This is a copy of a requirement to pay we sent to:
Northwest Territories Liquor and Cannabis

You can still make a payment on your debt. For payment options, go to **canada.ca/payments**.

If you already paid your debt in full, please call the contact person to provide the details of your payment.

The following taxpayer(s) owe(s) **$2,114,198.72** for the account 834513798RD0001.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

This requirement to pay from the Minister of National Revenue requires you to send us any money you would otherwise pay to the taxpayer; but do not send more than $2,114,198.72, at the rate of 50% of each period payment, loan, or advance. For requirements to pay, money includes amounts from any assets of the taxpayer that can be converted into cash.

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Please make your payment payable to the Receiver General.

Notice details

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Date	FEB 2 0 2024

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Team Leader, Revenue Collections

Canada Revenue Agency | Agence du revenu du Canada

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Notice details

Date	FEB 2 0 2024
Contact name	J. Zannis (1247)
Telephone number	(514) 226-9196
Toll free number	1 833-736-1510
Account number	834513798RD0001

Requirement to pay

This is a copy of a requirement to pay we sent to:
Manitoba Liquor & Lotteries

You can still make a payment on your debt. For payment options, go to **canada.ca/payments**.

If you already paid your debt in full, please call the contact person to provide the details of your payment.

The following taxpayer(s) owe(s) **$2,114,198.72** for the account 834513798RD0001.

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

This requirement to pay from the Minister of National Revenue requires you to send us any money you would otherwise pay to the taxpayer; but do not send more than $2,114,198.72, at the rate of 50% of each period payment, loan, or advance. For requirements to pay, money includes amounts from any assets of the taxpayer that can be converted into cash.

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Please make your payment payable to the Receiver General.

Notice details

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Date	FEB 2 0 2024

Your legal obligation

You are required to send this money to us even if you were planning to or have been directed to send money that would otherwise be payable to the taxpayer, to a creditor of the taxpayer, the taxpayer's representative, or to any other person.

Your liability

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Keep records

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For more information regarding requirements to pay, go to **canada.ca/cra-requirement-to-pay**.

Team Leader, Revenue Collections

TAB JJ

This is Exhibit "JJ" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Protected B
when completed

Canada Revenue Agency / Agence du revenu du Canada

Central and Southern Quebec TSO
Brossard QC J4Z 3T8

May 30, 2024

Account Number
83451 3798 RD0001

GREENSEAL CANNABIS COMPANY, LTD.
530 WRIGHT BLVD
STRATFORD ON N4Z 1H3

Dear Sir or Madam:

Subject: Legal warning about your Excise Act, 2001 debt of $2,919,273.95

Our records show that you still owe $2,919,273.95. This amount is due immediately.

If you do not pay the full amount or respond to this letter within 14 days, we may take legal action against you without further notice. For example, we may garnish your income, garnish your bank account, seize and sell your assets, and use any other legal means to collect the amount you owe.

The following are ways you can pay:

- Use your financial institution's telephone or online banking services
- Use My Payment at canada.ca/cra-my-payment to pay with your debit card using Interac Online
- Pay by pre-authorized debit through My Business Account at canada.ca/my-cra-business-account

.../2

- Pay in person at your financial institution or at an automated banking machine. You will need a personalized remittance voucher. If you do not have a voucher, you can get one by calling the Canada Revenue Agency at 1-800-959-5525

You can also mail your payment to:

Canada Revenue Agency
PO Box 3800 STN A
Sudbury ON P3A 0C3

If you mail your payment, write your full business number on your cheque or money order so we can process it correctly. Please make cheques and money orders payable to the Receiver General for Canada.

For other payment options, go to canada.ca/payments.

For more information about our collections policies, go to canada.ca/cra-collections.

If you recently paid the amount you owe, we thank you and ask you to disregard this letter. However, if you paid more than 15 days ago, please call me at 1-833-736-1510.

Yours truly,

J. Zannis (1247)
Collections officer

TAB KK

This is Exhibit “KK” referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Canada Revenue Agency

Order Details/Commandes de timbres

Identifier #18238

Order For: GreenSeal Cannabis Company Ltd., 530 Wright Boulevard, Stratford, Ontario N4Z 1H3, Canada
Manufacturer PO#: 2024-05-09
Delivery Address: 975 Gladstone Avenue, Ottawa, Ontario K1Y 4W5, Canada
Order Status : Pending approval by CRA
Modified Date: 05/09/2024
Delivery Date:
Adhesive Option: Adhesive Stamps
Comments: L1 Adhesive, LVP

Products

Products	Quantity of Unit(s)	Quantity of Bundle(s)	Quantity of Stamp(s)	Amount
British Columbia - Cannabis - Bundle (500 stamps)	40	40	20,000	$134.85
Manitoba - Cannabis - Bundle (500 stamps)	30	30	15,000	$101.14
Nunavut - Cannabis - Bundle (500 stamps)	4	4	2,000	$13.49
Ontario - Cannabis - Bundle (500 stamps)	40	40	20,000	$134.85
Saskatchewan - Cannabis - Bundle (500 stamps)	10	10	5,000	$33.71
Total	**124**	**124**	**62,000**	**$418.03**

Order History

Modified Date	Order Status	Modified By	Comments
05/09/2024 12:44:32 PM	Pending approval by CRA	Alex Hirschorn	L1 Adhesive, LVP

TAB LL

This is Exhibit "LL" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

E-communications Message

From :	Deborah.Nazareth@cra-arc.gc.ca
Sent :	Friday, May 10, 2024 09:23:45 AM
To :	Alex Hirschorn (CLgcc0943) / GreenSeal Cannabis Company Ltd.; Alexander Devries (alexdcra) / CRA Main Office; Serge Malo (CRA SAA) (sergemalo) / Excise Duty and Taxes; Joanne Martell (cra_ra1) / CRA Main Office; Tim Myers (CRA SAA) (cra_admin5) / Excise Duty and Taxes
Subject :	Cannabis Stamp Order 18238 – Rejected for ABC Ltd. GreenSeal Cannabis Company Ltd.

Good day,

The purpose of this message is to inform you that your excise stamp order was rejected.

We encourage you to reach out to your regional excise office at 1-866-330-3304 if you wish to discuss this further.

To maintain the confidentiality of your information, please use this secure communication option.

Regards,

Excise Stamp Order Desk
Canada Revenue Agency
Excise and Specialty Tax Directorate
Information Management and Quality Assurance Unit
320 Queen street, Tower A, 5th Floor
Ottawa, Ontario
K1A 0L5

TAB MM

This is Exhibit "MM" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Canada Revenue Agency | Agence du revenu du Canada

June 10, 2024

AgMedica Bioscience Inc.
104-566 Riverview Drive
Chatham, ON N7M 0N2
Attention: Peter Van Mol

Dear Peter Van Mol:

Subject: Refusal of application for service agreement under the Excise Act, 2001

We are writing to advise you that the application for authorization of a service agreement between AgMedica Bioscience Inc. (BN: 837827179 RD0001) and GreenSeal Cannabis Company Ltd. (BN: 834513798 RD0001) is being refused. **As such, you must ensure that you do not implement any terms of the agreement as contained in the application.**

Your application cannot be approved for the following reasons:

- The scope of the activities in the agreement do not meet the requirements of the Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations. The details of the activities to be performed by each licensee have not been clearly specified.
- Not enough details were provided for all of the controls in place for safeguarding the cannabis products and cannabis excise stamps. Copies of the SOP referenced in the agreement were not provided nor explained.
- Not enough details were provided for each class and quantity of cannabis products.
- Not enough details regarding the jurisdictions and estimated quantity of excise stamps.
- Not enough details were provided for the anticipated date of the beginning and end of service agreement.

You may reapply with a written application for authorization of a service agreement if these circumstances change, and you believe that you may then qualify.

Should you have any questions or require clarification regarding the above information, please do not hesitate to contact me at 1-905-706-7543. For general information regarding the excise duty on cannabis products please call 1-866-330-3304 or go to canada.ca/cannabis-excise. To request a ruling or interpretation or make a technical enquiry on cannabis excise duty, please email cannabis@cra-arc.gc.ca.

Sincerely,

Connie Freel
Excise Duty Division, Ontario Region
Legislative Policy and Regulatory Affairs
55 Bay Street North Hamilton ON L8R 3P7
Phone: 1-866-330-3304 | Fax: 1-905-572-4608

Canada

TAB NN

This is Exhibit "NN" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

RECON
RECONSTRUCT LLP

Jared Rosenbaum
Senior Associate
T:+1.416.613.8284
F:+1.416.613.8290
E:jrosenbaum@reconllp.com
W:reconllp.com

May 27, 2024

SENT BY REGISTERED MAIL AND EMAIL

OSLER, HOSKIN & HARCOURT LLP
1055 West Hastings Street
Suite 1700, The Guinness Tower
Vancouver, BC V6E 2E9

GREENSEAL CANNABIS COMPANY LTD.
530 Wright Boulevard
Stratford, ON N4Z1H3

Attention: **Ms. Joanna Cameron**
jcameron@osler.com

Dear Ms. Cameron,

RE: INDEBTEDNESS TO STOKE CANADA FINANCE CORP.

We understand you are counsel to GreenSeal Cannabis Company Ltd. ("**GreenSeal**").

This letter is being sent further to the correspondence to GreenSeal dated April 29, 2024 (the "**Default Letter**"), from former legal counsel to Stoke Canada Finance Corp. ("**Stoke**"). Reconstruct LLP has assumed carriage of this matter and is new legal counsel to Stoke. Going forward, please address any communications to us.

From time to time Stoke purchased accounts receivable owed to GreenSeal by various provincial wholesalers pursuant to a Receivable Purchase Agreement dated June 7, 2023 (the "**RPA**"). Capitalized terms not defined in this letter have the meanings ascribed to them in the RPA.

On or about February 24, 2024, CRA issued Requirements to Pay ("**RTP**") to provincial wholesaler account debtors of GreenSeal directing payment to the Receiver General of 50% of the receivable owed to Stoke under the RPA on account of GreenSeal's unremitted excise taxes. We understand that in response to the RTPs, certain provincial wholesalers made payments to the Receiver General in the amount of $385,781.57.

We understand that, contrary to the terms of the RPA, the remaining 50% of the receivables not transferred to the Receiver General in the amount of $385,781.57 were, in fact, not deposited to the Purchaser's Bank Account. Despite GreenSeal having been provided with the opportunity to cure these defaults per the Default Letter, these funds have not been transferred to Stoke as of the date of this letter. Rather, we understand that these funds were used to fund the internal operations and capital requirements of GreenSeal.

In addition to the events of default noted in the Default Letter including the following:

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RECONSTRUCT LLP

1. GreenSeal failed to maintain the Purchased Receivables free and clear of all Liens (s. 5.1(l));

2. GreenSeal failed to comply with all applicable tax laws by not remitting excise taxes to Revenue Canada when due triggering the issuances of RTP's by CRA (ss. 5.4(b) and (d));

3. GreenSeal failed to replace $771,563.14 of Purchased Receivables garnished by the Receiver General with Eligible Receivables of equal value (s. 4.3); and

4. GreenSeal failed to remit within two (2) Business Days, without setoff or other deduction to the Purchaser's Bank Account, any Collections (including amounts deemed to be received by GreenSeal (s. 4.1(b));

GreenSeal has committed further material events of default in respect of its reporting obligations under s. 5.4(f) to furnish Stoke with the following statements, reports, and certificates:

(i) within 120 days after the end of each fiscal year of the Seller, copies of the notice to reader financial statements of the Seller with respect to such fiscal year, duly signed;

(ii) within 60 days after the end of each fiscal quarter of the Seller, a copy of the management prepared internal financial statements of the Seller with respect to such fiscal quarter;

(iii) within 20 days after the end of each month, a comprehensive data backup report satisfactory to the Purchaser, acting reasonably, generated by and/or from the Seller's accounting system relating to the Purchased Receivables; and

(iv) within 20 days after the end of each month a copy of the sell-through and inventory aging reports for each applicable Account Debtor.

Under RPA s. 6.1, GreenSeal granted Stoke a first priority security interest in Collateral including: "All of the moneys and other sums payable to or receivable by the Seller under or pursuant to the provisions of the Eligible receivables". Pursuant to the terms of the RPA, the non-payment of any amounts payable by the Seller to the Purchaser constitutes an Event of Termination. Accordingly, Stoke is availing itself of the Remedies contained in RPA s. 7.3 including declaring that all outstanding Obligations are immediately due and payable.

On behalf of Stoke, we demand payment in full of the amounts owing under the RPA, being $1,827,401.08 (the "**Indebtedness**"), immediately. If such payment is not made by **5:00 p.m.** on **June 5, 2024**, Stoke will commence enforcement steps including legal proceedings against GreenSeal, seeking the appointment of a receiver to realize on Stoke's security, and any other remedies available to it under the *Personal Property Security Act*, R.S.O. 1990, c. P. 10.

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GreenSeal's corporate parent, Atlas Global Brands Inc., provided an unconditional and irrevocable guarantee of "any and all present and future obligations of the Seller to the Purchaser arising pursuant to and/or on account of the Transaction Documents, including, without limitation, all of the Obligations as defined in the RPA". Stoke intends to concurrently claim on the corporate guarantee of Atlas Global Brands Inc. dated June 7, 2023.

Additionally, as a result of, *inter alia*, the misappropriation of trust funds owned by Stoke, Stoke intends to commence actions against GreenSeal's directors and officers for breaches of fiduciary duty and breaches of trust for their failure to act in the best interests of all GreenSeal's stakeholders.

Please advise us immediately if GreenSeal intends to make payment of the full amount of the Indebtedness.

Yours truly,

RECONSTRUCT LLP

Jared Rosenbaum
JR/lr

NOTICE OF INTENTION TO ENFORCE SECURITY

(pursuant s. 244 of the *Bankruptcy and Insolvency Act*)

To: **GREENSEAL CANNABIS COMPANY LTD., an insolvent person**

TAKE NOTICE THAT:

1. **Stoke Finance Canada Ltd.**, a secured creditor (the "**Lender**"), intends to enforce its security on the insolvent person's property described below:

   all of GreenSeal Cannabis Company Ltd. ("**GreenSeal**") right, title and interest in and to the following wherever located, whether now existing or hereafter from time to time arising or acquired: (i) all of the moneys and other sums payable to or receivable by the Seller under or pursuant to the provisions of the Eligible Receivables; (ii) the Reserve Amount and the Dilution Reserve proceeds relating thereto; (iii) all books and records relating to the foregoing, including in any form or medium; and (iv) all additions, substitutions and replacements for each of the foregoing (any defined terms as defined in the Receivable Purchase Agreement dated June 7, 2023).

2. The security that is to be enforced is in the form of a personal property security interest in favour of Stoke Finance Canada Ltd. as against GreenSeal and registered under the *Personal Property Security Act* (Ontario) on March 20, 2024 (registration no. 20240320 1508 1793 5177).

3. The total amount of indebtedness secured by the security as at the close of business on May 27, 2024, is $1,827,401.08.

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

Dated at Toronto, this 27th day of May, 2024.

Stoke Finance Canada Ltd.

by its solicitors, Reconstruct LLP

____

Consent to Enforcement

GreenSeal Cannabis Company Ltd., an insolvent person, hereby consents to the immediate enforcement of the security held by Stoke Canada Finance Corp.

Dated: May ________ , 2024

GreenSeal Cannabis Company Ltd.

____

TAB OO

This is Exhibit "OO" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

RECON
RECONSTRUCT LLP

Jared Rosenbaum
Senior Associate
T:+1.416.613.8284
F:+1.416.613.8290
E:jrosenbaum@reconllp.com
W:reconllp.com

May 27, 2024

SENT BY REGISTERED MAIL AND EMAIL

COREY HAMILTON (corey.hamilton@greensealcannabis.com)
123 Woods Street
Stratford, ON N5A 1M3

BERNARD YEUNG (bernie@atlasglobalbrands.com)
104-566 Riverview Drive
Chatham, ON N7M 5W7

JASON CERVI (jason@atlasglobalbrands.com)
104-566 Riverview Drive
Chatham, ON N7M 5W7

Attention: Corey Hamilton, Bernard Yeung and Jason Cervi

Dear Messrs. Hamilton, Yeung, and Cervi,

RE: INDEBTEDNESS TO STOKE CANADA FINANCE CORP.

We are legal counsel to Stoke Canada Finance Corp. ("**Stoke**"), which purchased, from time to time, accounts receivable owed to GreenSeal Cannabis Ltd. ("**GreenSeal**") by various provincial wholesalers pursuant to a Receivable Purchase Agreement made as of June 7, 2023 (the "**RPA**").

As you are aware, Mr. Hamilton, in his capacity as a member of the board of directors of GreenSeal, executed the RPA and all of the directors and officers of GreenSeal resolved to approve the terms of the RPA and the execution thereof.

We understand that the Canadian Revenue Agency issued a Requirement to Pay ("**RTP**") on or about February 24, 2024, to provincial wholesaler account debtors of GreenSeal directing payment to the Receiver General of 50% of the receivables purchased by Stoke under the RPA on account of GreenSeal's unremitted excise taxes. We understand that in response to the RTPs, certain provincial wholesalers made payments to the Receiver General of $385,781.57 in respect of certain of the accounts receivable purchased by Stoke.

In respect to the remaining 50% of the receivables purchased by Stoke but not transferred to the Receiver General in accordance with the RTP, contrary to the terms of the RPA, the amount of $385,781.57 was not deposited to the Purchaser's Bank Account. Nor have these funds been transferred to Stoke as of the date of this letter. Rather, we understand that this amount properly owned by Stoke, and to be held in trust by GreenSeal was in fact misappropriated in order to fund the internal operations and capital requirements of GreenSeal.

The directors and officers of GreenSeal have a fiduciary duty and legal obligation to act in the best interests of the corporation's stakeholders including Stoke. The directors and officers have breached their fiduciary duties and duty of care in allowing GreenSeal to misappropriate funds properly belonging to and subject to a trust in favour of Stoke.

GreenSeal's directors and officers had a positive obligation to act in good faith and prevent monies that belonged to Stoke from being appropriated or otherwise used for the benefit of GreenSeal.

On behalf of Stoke, we therefore demand immediate payment in full of the amounts owed by GreenSeal under the RPA, being $1,827,401.08 (the "**Indebtedness**"), immediately.

In the event that the directors and officers fail to repay the Indebtedness by **5:00 p.m.** on **June 5, 2024,** Stoke intends to commence legal proceedings against the directors and officers personally for breaches of fiduciary duty and duty of care and breaches of trust and will seek compensation for all damages as well as costs on a substantial indemnity basis.

Yours truly,

RECONSTRUCT LLP

Jared Rosenbaum
JR/lr

TAB PP

This is Exhibit "PP" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No.:

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

B E T W E E N:

STOKE CANADA FINANCE CORP.

Applicant

And

GREENSEAL CANNABIS COMPANY LTD., ATLAS GLOBAL BRANDS INC.

Respondents

IN THE MATTER OF AN APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED, SECTION 67(1)(e) OF THE *PERSONAL PROPERTY SECURITY ACT*, R.S.O. 1990 c. P-10, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c C.43, AS AMENDED

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing:

☐In person

☐By telephone conference

☒By video conference

at the following location:

Video conference details will be uploaded to case lines.

On Tuesday the 18th day of June, 2024 at 11:30 am

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on a date to be fixed by the Court at 10 a.m., at the Ontario Superior Court of Justice (Commercial List), 330 University Avenue, Toronto ON M5G 1R8.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer, or where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your other lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: June 9, 2024

Issued by:

Local Registrar

Address of court office:

Ontario Superior Court of Justice
(Commercial List)
330 University Avenue,
Toronto, ON M5G 1R8

TO: **OSLER, HOSKIN & HARCOURT LLP**
First Canadian Place
1 King Street West
Suite 6200, Toronto, ON M5X 1B8

Mary Paterson
MPaterson@osler.com
Tel: 416.862.4924

Lawyers for the Respondents, GreenSeal Cannabis Company, Ltd. and Atlas Global Brands Inc.

APPLICATION

RELIEF SOUGHT

1. **THE APPLICANT** Stoke Canada Finance Corp. ("**Stoke**") makes application for an order, among other things:

   (a) appointing PricewaterhouseCoopers Inc. ("**PwC**") as receiver (in such capacity, the "**Receiver**"), without security, over:

      i. all of the moneys and other sums payable to or receivable by GreenSeal in respect of any receivables that meet certain criteria ("**Eligible Receivables**") set out in the Receivables Purchase Agreement dated June 7, 2023 ("**Receivables Purchase Agreement**");

      ii. the reserve specified in each purchase summary ("**Reserve Amount**") with respect to each purchase by Stoke of Eligible Receivables and the additional reserve specified in each purchase summary ("**Dilution Reserve**") relating thereto;

      iii. the books and records relating to the foregoing;

      iv. all purchase orders meeting certain criteria in Schedule "A' to the to Receivables Purchase Agreement ("**Eligible Purchase Order**");

v. all goods and inventory held or acquired by GreenSeal for the purpose of fulling its obligations under an Eligible Purchase Order;

vi. solely to the extent arising from the Eligible Purchase Order, all of GreenSeal's accounts, documents, instruments, contract rights, chattel paper and general intangibles arising from the sale by GreenSeal of finished products to account debtors, and all such goods whose sale, lease or other disposition by GreenSeal has given rise to accounts and have been returned to or repossessed or stopped in transit by GreenSeal;

vii. all chattel paper and instruments relating to any of the foregoing;

viii. all claims against suppliers, carriers and shippers relating to any of the foregoing goods and inventory;

ix. all additions to, substitutions for, and replacements, products and proceeds of the foregoing property, including proceeds of all insurance policies insuring the foregoing property; and

x. all of GreenSeal's books and records relating to any of the foregoing

(collectively, the "**Collateral**"), pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"); and

(b) granting judgment against Atlas Global Brands Inc. ("**Atlas**") for $1,854,319.54 in respect of the guarantee of GreenSeal's obligations to Stoke issued by Atlas in favour of Stoke dated June 7, 2023 (the "**Guarantee**").

2. If necessary, an Order abridging time for service and filing of this Notice of Application and the Application Record and dispensing with further notice thereof;

3. An order against all the Respondents, jointly and severally, for the costs of this Application, plus all applicable taxes; and

4. Such further and other relief as counsel may advise and this Honorable Court deems just.

THE GROUNDS FOR THIS APPLICATION ARE:

Appointment of a receiver

5. The Respondent GreenSeal is a licensed producer of cannabis based in Stratford, Ontario.

6. Atlas is the corporate parent of GreenSeal based in Vancouver, British Columbia.

7. The Applicant Stoke is a finance company providing access to non-dilutive working capital and support for cannabis companies.

8. On June 7, 2023, Stoke and GreenSeal entered into the Receivables Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, collectively the "**Receivables Purchase Agreement**") by which Stoke

agreed to purchase the right, title and interest of GreenSeal in certain Eligible Receivables of GreenSeal.

9. To secure its obligations under to the RPA, GreenSeal granted Stoke security over the Collateral.

10. On September 9, 2023, Stoke and GreenSeal entered into an Amendment and Supplement to Receivables Purchase Agreement pursuant to which Stoke established an additional credit facility to provide new financial accommodations to Stoke in connection with the existing Receivables Purchase Agreement, and by which GreenSeal granted further security to Stoke.

11. In accordance with the terms of the Receivables Purchase Agreement, and since the execution thereof, Stoke has purchased approximately 182 Eligible Receivables, of which 39 are outstanding.

12. On or about February 20, 2024, the Canada Revenue Agency ("**CRA**") issued Requirements to Pay ("**RTP**") to provincial wholesaler account debtors of GreenSeal directing payment to the Receiver General of 50% of the receivables owed to Stoke under the RPA on account of GreenSeal's unremitted excise taxes.

13. In response to the RTPs, certain provincial wholesalers made payments to the Receiver General in the amount of $385,781.57, despite those receivables belonging to Stoke.

14. In addition, and contrary to the terms of the RPA, the remaining 50% of the receivables not transferred to the Receiver General in the amount of $385,781.57

was not transferred by GreenSeal to Stoke and were not held in trust by GreenSeal on behalf of Stoke.

15. By letters dated April 29, 2024 and May 27, 2024, Stoke demanded repayment from GreenSeal, its directors and officers, and Atlas (the "**Initial Demand**" and "**Subsequent Demand**" respectively).

16. Concurrently on May 27, 2024, Stoke delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the BIA (the "**244 Notice**").

17. As of June 6, 2024, GreenSeal was indebted to the Stoke in the amount of $1,854,319.54, inclusive of interest, but not of all additional costs and fees owing to Stoke. The amount owing by GreenSeal continues to grow daily as a result of interest and other costs.

18. As of June 7, 2024, GreenSeal has not obtained additional financing and has not paid any of the amounts outstanding to Stoke. GreenSeal has had ample time to refinance its obligations owing to Stoke or propose another commercially reasonable solution that is acceptable to Stoke.

19. The Applicant's need for the appointment of a Receiver is apparent based on the current circumstances including the following facts:

(a) Stoke has a first priority security interest in the Eligible Receivables;

(b) Stoke has an absolute ownership interest in the Stoke Receivables;

(c) the Initial Demand and Subsequent Demand have not been withdrawn by Stoke;

(d) GreenSeal, and its directors Messrs. Hamilton, Yeung, and Cervi have had ample opportunity to satisfy the Initial Demand and Subsequent Demand;

(e) Stoke has entirely lost confidence in the management of GreenSeal. GreenSeal's management, its board of directors and its parent company Atlas, have been complicit in the willful diversion of payments properly owned by Stoke. In my view the management of GreenSeal has displayed a cavalier attitude and blatant disregard in respect of property owned by Stoke, the covenants in the Receivables Purchase Agreement to the material detriment of Stoke;

(f) GreenSeal has misappropriated property of Stoke;

(g) GreenSeal's indebtedness owing to Stoke under the Receivables Purchase Agreement has not been repaid;

(h) the statutory ten-day period under the BIA has expired;

(i) in the circumstances, Stoke has lost all confidence in GreenSeal's management to satisfy GreenSeal's obligations under the Receivables Purchase Agreement;

(j) there is reason to believe that GreenSeal is unable to pay its liabilities as they come due on account of the RTP's issued by CRA, such that Stoke's collateral is in jeopardy without intervention by the Court;

(k) throughout, the Receiver will report to the court and all stakeholders to ensure transparency and orderliness.

20. PwC has consented to act as the Receiver.

Judgment against Atlas on the guarantee

21. In addition to the security granted by GreenSeal, GreenSeal's corporate parent Atlas unconditionally and irrevocably guaranteed the payment of all present and future obligations of GreenSeal to Stoke arising pursuant to and/or on account of the provisions the Receivables Purchase Agreement.

22. There are unlikely to be any material facts in dispute in connection with the guarantee claim against Atlas and it is accordingly appropriate that judgment be granted by way of application.

Further Grounds

23. Rules 2.03, 3.02 14.05(2), 14,05(3)(h) and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; Section 243(1) of the BIA; Section 101 of the CJA**;**

24. The inherent jurisdiction of this Court; and

25. Such further and other grounds as counsel may advise and this Honorable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

26. The Affidavit of Cristobal Arnao, sworn June 9, 2024, with Exhibits attached thereto; and

27. Such further and other materials as counsel may advise and this Honorable Court may permit.

June 9, 2024

RECONSTRUCT LLP
Richmond-Adelaide Centre
120 Adelaide Street West, Suite 2500
Toronto, ON M5H 1T1

Caitlin Fell LSO No. 60091H
E-mail: cfell@reconllp.com
Tel: 416.613.8282

Jared Rosenbaum LSO No. 74769U
E-mail: jrosenbaum@reconllp.com
Tel: 416.613.8284

Fax: 416.613.8290

Lawyers for the Applicant

Court File No./N° du dossier du greffe : CV-24-00722104-00CL

STOKE CANADA FINANCE CORP. And **GREENSEAL CANNABIS COMPANY LTD., ATLAS GLOBAL BRANDS INC.**

In The Matter Of An Application Under Section 243(1) Of The Bankruptcy And Insolvency Act, R.S.C. 1985, C. B-3, As Amended And Section 101 Of The Courts Of Justice Act, R.S.O. 1990, C C.43, As Amended

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

NOTICE OF APPLICATION

RECONSTRUCT LLP
Richmond-Adelaide Centre
120 Adelaide Street West, Suite 2500
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Lawyers for the Applicant

TAB QQ

This is Exhibit "QQ" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 50473946 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc.
Consolidated 4 Week Cash Flow Forecast
$CDN

	Notes	Week Commencing			Total
		17-Jun-24	24-Jun-24	01-Jul-24	
Receipts	*1*				
Domestic		100,000	100,000	34,468	234,468
B2B Wholesale		200,000	303,000	68,691	571,691
International		297,200	200,000	214,891	712,091
Rental Income		-	-	46,019	46,019
Total Receipts		597,200	603,000	364,069	1,564,269
Disbursements					
Payroll	*2*	-	491,063	-	491,063
Vendor Payments	*3*	108,800	114,200	187,119	410,119
Mortgage Payments		-	-	-	-
Utilities	*4*	125,000	-	47,000	172,000
Insurance	*5*	-	36,000	-	36,000
GST/HST	*6*	-	-	-	-
Excise Remittance/Licenses	*7*	-	35,000	-	35,000
Restructuring Process	*8*	180,000	-	100,000	280,000
Total Disbursements		413,800	676,263	334,119	1,424,182
Net Cash Receipts/(Disbursements)		183,400	(73,263)	29,950	140,087
Cash on Hand					
Opening balance	*9*	218,721	402,121	328,858	218,721
DIP Facility Draw/Repayment	*10*	-	-	-	-
Net Cash Receipts/(Disbursements)		183,400	(73,263)	29,950	140,087
Ending Cash Balance		402,121	328,858	358,808	358,808
DIP					
Opening Balance		-	-	-	-
DIP Facility Draw/Repayment		-	-	-	-
Ending Balance		-	-	-	-

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC. (collectively, the "Applicants")

Notes to the Unaudited Cash Flow Forecast of the Applicants

June 17, 2024 to July 14, 2024 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants, with the assistance of Ernst & Young Inc. (the "**Proposed Monitor**"), have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the Applicants' operations and additional assumptions discussed below with respect to the impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**"). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Forecast Period will vary from the Cash Flow Forecast, even if the Assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview:

The Cash Flow Forecast includes the receipts and disbursements of the Applicants during the Forecast Period. The Applicants, with the assistance of the Proposed Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations during the anticipated stay period.

Receipts and disbursements are denominated in Canadian dollars.

Assumptions:

1. **Receipts**

   This category includes receipts generated by the Applicants through the sale of cannabis products to provincial distributors domestically, bulk to other licensed producers and internationally to licensed customers in their respective countries. Rental income receipts are from leases with third party tenants in the Applicants' owned properties.

   Receipts from certain accounts receivable of GreenSeal Cannabis Company have been excluded from the Cash Flow Forecast as:

- the accounts receivable may be subject to security held by Stoke Inventory Partners Inc. (“**Stoke**”) for which Stoke has made advances; and
- the accounts receivable may be subject to garnishments by Canada Revenue Agency.

2. Payroll Costs
Employees are paid on a bi-monthly basis and represents gross payroll, WSIB, EHT and employee benefits.

3. Vendor payments
Represents disbursements related to purchase of raw materials, consumables, freight, general repairs and maintenance, security, temporary labour and other facility expenses.

4. Utilities
Represents the cost of gas, water and hydro.

5. Insurance
Represents insurance expenses.

6. GST/HST
Represents sales taxes.

7. Excise Remittances/Licenses
Represents expenses such as Health Canada licences and excise duty taxes.

8. Restructuring Process
Restructuring costs include professional fee payments and expenses of the Applicants’ legal counsel, the proposed Monitor and its counsel in connection with the Applicants’ restructuring proceedings.

9. Beginning Balance
Represents the opening cash balance as of June 17, 2024.

10. DIP Draws
The Applicants require DIP financing to fund the CCAA proceedings and are seeking a DIP lender.

TAB RR

This is Exhibit "RR" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC. (the "**Applicants**").

CONSENT TO ACT AS MONITOR

ERNST & YOUNG INC. hereby consents to act as the Monitor of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in respect of these proceedings.

DATED this 18 day of June, 2024.

ERNST & YOUNG INC.

By: K. Fung

Name: Karen Fung
Title: Senior Vice President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

APPLICATION OF ATLAS GLOBAL BRANDS INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD OF THE APPLICANTS
(Returnable June 20, 2024)
VOLUME 2 OF 2

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